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7 April 1982

LATIN AMERICA REPORT

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DECISION ON YACYRETA BID AWAITED

PY092134 Asuncion HOY in Spanish 9 Mar 82 p 10

[Text] It was confirmed yesterday evening by sources of the Yacyreta Binational Enterprise (EBY) that the EBY executive committee has still not been summoned to analyze the note submitted last Friday by the World Bank.

In the note, the international banking organization, among other points, objects to the recommendation made by the EBY for the awarding of the contract for civil engineering works, suggests summoning the Dumez, Inc. Consortium to give some explanations or, if not, to call for new bids.

It must be pointed out that the EBY, in its report submitted to the World Bank on 4 November 1981, recommended that the contract worth millions be awarded to the Italian construction enterprise Impregilo despite the fact that its nominal offer--\$226,000,000--was higher than the offer made by Dumez, Inc.

Despite the fact that a meeting of the relevant Argentine Government organizations to discuss the future of the hydroelectric project is still pending, it is believed that the EBY executive committee will meet this week to discuss the note sent by the World Bank.

In view of the situation created by the World Bank's decision the EBY will have to choose one of the following alternatives:

1. Award the contract to Dumez and start immediate negotiations for drawing up the contract.
2. Award the contract to Impregilo and as a consequence run the risk of a disagreement with the World Bank and possibly lose its financial aid.
3. Call for new bids.

CSO: 3010/1190

DAILY STRESSES YACYRETA AS BINATIONAL PROJECT

PY120238 Asuncion HOY in Spanish 11 Mar 82 p 9

[Editorial: "Yacyreta at a Crossroad"]

[Excerpts] The binational project Yacyreta stands today at a crossroad: either it collapses irremediably as the result of the confusion and incoherence injected in it by the Argentine Government or it definitively moves forward toward its completion, leaving behind a period marked by inconsistencies and lack of resolution.

Up until now, the Argentine Government is acting in a way which suggests that Yacyreta is a matter of concern to Argentina alone and that Argentina alone is entitled to have an opinion deciding or rejecting anything related to the project. The Buenos Aires newspaper LA NACION, for instance, almost openly suggests that this is the case. The newspaper CLARIN analyzes the question in a similar vein, thus raising many doubts as to whether the Argentine leadership still considers Yacyreta to be a binational undertaking.

Moreover, referring to "a source that was consulted," the newspaper LA NACION says that the disposition to cancel the bid could provide time for Argentina to renegotiate the treaty which, in the belief of some people, "is too generous to that country." That is to say, to Paraguay. That attitude, which obviously is being carefully weighed in circles close to the Casa Rosada, shows the little spirit of partnership prevailing at some levels of the Argentine Government toward Yacyreta.

Elements at those levels seem willing to delay the construction of Yacyreta for 2 years, if necessary, to guarantee a bid award satisfactory to their interests. And also to have time to pressure our country into accepting unacceptable modifications to the treaty.

Good sense demands that, once and for all, the Argentine Government disassociate itself from notoriously sectorial interests and take Yacyreta for what it really is: a binational project for the benefit of both countries which should be built rapidly at the least cost possible.

CSO: 3010/1190

PARAGUAYAN YACYRETA DIRECTOR ON CURRENT STATE OF PROJECT

PY121800 Asuncion Teledifusora Paraguayan Television in Spanish 1530 GMT
12 Mar 82

[Interview with Eng Zoilo Rodas Ortiz, Paraguayan director general of the Yacyreta Binational Enterprise--recorded]

[Text] The present status of the project is known, to a certain extent, by the public; not very well known, perhaps, because the newspapers publish partial, fragmentary or even misleading reports.

The World Bank rejected the report made by Yacyreta--which was, of course, endorsed by the consultants' report--regarding the question of to which company the project should be awarded. The World Bank suggested that the Dumez Company should be called in first for negotiations with it, or, if that could not be done, that new bidding should be announced.

Since the World Bank loan is granted exclusively to Argentina, which could then put the money at the disposal of Yacyreta, the question concerns Argentina, in principle. The Argentine Government is therefore studying the situation that has emerged. We know that there have been many very high-level meetings in Argentina regarding this subject and in the end a commission was formed, also very high-level, a commission which has even been mentioned by the newspapers. This commission is headed by the Planning Director General (Miret) and is to submit a report to the Argentine Government and the military junta on 23 March. According to the report, the Argentine Government will make some decision regarding its position to the World Bank and the latter's rejection of the Yacyreta report.

In the meantime, there is no one to talk to in Argentina regarding this subject, so we are now waiting, which does not mean that we will agree to any decision whatsoever. The decision to be made by the Argentine Government will be made known to us through the Argentine part of the Yacyreta Binational Enterprise and we will then discuss the matter to learn the final result we have to abide by. This is, in a few words, the present state of the project.

CSO: 3010/1190

MEXICO, COLOMBIA SIGN ELECTRIC POWER AGREEMENT

FL292112 Mexico City NOTIMEX in Spanish 1734 GMT 29 Mar 82

[Text] Cartagena, Colombia, 29 Mar (NOTIMEX)--Mexico and Colombia today signed an agreement on electric power interconnection with a program which will benefit other Central American countries, Antonio Ortiz Mena, president of the Inter-Development Bank [IDB], announced here. The IDB official explained to AFP, the French News Agency, that the program's aim is to reduce the cost of generating electric power, and asserted that the plan is allocated in two contracts for the 32 million dollar loan [approximately 440 million Mexican pesos). [figures as received]

For the construction of the interconnection segment between Costa Rica, Nicaragua, Guatemala and El Salvador, Ortiz Mena said loans had been granted amounting to 24 million dollars (2.4 billion pesos) of the interregional capital and 8 million dollars (360 million pesos) of the special operations fund.

The Costa Rica-Nicaragua interconnection will consist of a 230-kw transmission grid some 265 kms in length, of which 115 will be in Costa Rica and 150 in Nicaragua, the official indicated. The Guatemala-El Salvador interconnection will consist of a 230-kw grid some 110 kms in length.

These contracts were signed by Ortiz Mena and Alberto Galeano Madrid, president of the Central American Bank of Economic Integration.

CSO: 3010/1185

BRIEFS

ITAIPU ON SCHEDULE--At the end of a meeting of the Itaipu Binational Enterprise executive board held in Foz de Iguacu yesterday Enzo Debernardi, codirector general of the enterprise, dismissed reports by the Brazilian media that the schedule of the hydroelectric complex would be slowed down. Debernardi stated: "The first two turbines, of 50 and 60 cycles, will become operational in mid-1983 and by 1988 all 18 turbines will be operating." The slowing down of the Itaipu schedules, according to reports from Brazil, is the result of an important surplus of energy in Sao Paulo. This surplus would increase even more with the Itaipu production. However, according to the emphatic statements made yesterday by Debernardi, everything at Itaipu will continue normally and according to the schedules which to date have regulated the activities of this marvellous undertaking. [Excerpts] [PY092125 Asuncion HOY in Spanish 9 Mar 82 p 10]

YACYRETA COUNCIL CANCELS MEETING--The meeting which the administration council of the Yacyreta Binational Enterprise was supposed to hold on Tuesday in Buenos Aires has been cancelled. Sources of the enterprise in this capital, reported that the meeting was cancelled due "to the lack of subjects to discuss," therefore the trip of the group of national advisors on Yacyreta to Buenos Aires will not take place. [Excerpt] [PY211928 Asuncion ABC Color in Spanish 20 Mar 82 p 10]

CSO: 3010/1190

POLITICAL LEADERS REACT TO JUNTA'S MESSAGE

PY291512 Buenos Aires LA PRENSA in Spanish 26 Mar 82 p 5

[Text] The military junta's message on the occasion of the sixth anniversary of the national reorganization process generated predominantly adverse reactions within political circles.

Francisco Rabanal, secretary of the National Committee of the radical Civic Union, stated that the message "lacked accuracy, beyond those measures which are already known.

"There is a crisis of confidence and if the government wants to help overcome it, then it has to abolish the state of siege, lift the ban on political activities, give an answer on the problem of missing persons, release political prisoners and clearly explain the political plans," he stated.

Justicialist Party leader Deolindo Bittel declined to give his opinion until he finishes a thorough reading of the message, although he stated that "the people still expect many answers."

Former Peronist Labor Minister Miguel Unamuno stated, however, that the message "did not give appropriate answers to the serious questions the country is asking to those who retain power at this moment of crisis.

"More was concealed than said; the message lacked concrete information, especially the establishment of a deadline the country demands for a drawn-out process," he stated.

He added: "Unfortunately, the government does not seem to understand the depth of the crisis."

Intransigent Party leader Oscar Alende feels that the government message "was only a pretext to gain time," and added that "the stolen sovereignty must be returned to the people."

Simon Lazara, of the Unified Socialist Party, stated that "the existence of difficulties has been recognized, but the military junta insists, however, in an economic policy which has led the country to a greater disaster."

CSO: 3010/1142

COLUMNIST ASSESSES INCREASED POLITICAL ACTIVITY

Buenos Aires CONVICCION in Spanish 28 Feb 82 pp 12-13

[Article by Martin Olivera]

[Text] In recent days, especially after the "barbecue of the century," it has been common to hear and even to read comparisons between the governments of Lt Gens Alejandro Agustin Lanusse and Leopoldo Fortunato Galtieri. What is more, public opinion, which is not inclined towards self-censure, is imaginatively saying that there is already a modern GAN, referring to the Great National Barbecue.

These coffeehouse disquisitions notwithstanding, some clarifications have to be made, because if we accepted the Ongania-Videla, Levingston-Viola and Lanusse-Galtieri comparisons, we would in fact be conceding that the Process will give us another 1973, and this is unfair from every standpoint.

The Process, or more correctly put, the governments under the Process, might have made many mistakes (just look at our economic situation), but it is manifestly absurd to suppose that they are going to allow the return of "Camporismo."

It is also an insult to the people in general. Practically all Argentines agree without giving it a second thought on the following: We do not want a return of violence in any of its forms. Therefore, we cannot permit another 1973.

First conclusion: There is a substantial qualitative difference between the governments of Lanusse and Galtieri.

Another point to remember is that in Lanusse's time the so-called intellectual Left, on whose shoulders the guerrillas rode in, was in vogue among many sectors, especially the middle class. Today, although the economic situation is much more critical, the Left holds no appeal for the great majority of the Argentine people, precisely because of the river of blood that it wound up creating. This factor unquestionably precludes a comparison between the two periods.

A third objective element that we must not forget is the disappearance of Peron and Balbin. The Argentine political spectrum in 1982 has no leaders

to offer. Therefore, the existing structures can be bolstered through a strengthening of internal democracy in the parties, which in fact alters the options for a dialogue that will eventually lead to the reestablishment of democratic institutions.

What is perhaps confusing at first glance is that in both cases (Lanusse and Galtieri) a Political Parties Statute was or will be enacted at mid-year (the new statute has not yet been promulgated but it will be before 30 June) and that under Lanusse there were elections 1½ years later. You don't have to be a mathematician to see that in the present instance that would take us to early 1984, when Galtieri's term is over.

Nerves on Edge

The growing political activity, which will reach its peak with the promulgation of the statute and the end of the ban imposed in 1976, has begun to worry a number of sectors that are not interested in democracy and that, on the contrary, failing to gauge the times, want a hardening of the military front.

Citing a hodgepodge of arguments, these are the groups that seek to compare Galtieri with Lanusse, their sole objective being to put the military's nerves on edge with warnings that we could see a repeat of 1973.

It is these sectors that are the direct beneficiaries of the death of Ana Maria Martinez or of the desecration of the Jewish cemetery in Mar del Plata. Both of these incidents, albeit unrelated, serve to destabilize the government and, therefore, to place stumbling blocks along the road to democracy.

Government circles realize this quite clearly. Hence, the president has ordered the incidents investigated to their ultimate consequences, even if this reveals that some active or retired member of the Armed Forces or the security forces was involved. Furthermore, the government is thinking that if the objective is to destabilize, there could be further assassinations, with the perilous consequences that this would entail for Argentine society.

At this juncture then, when sensitivities have reached very high levels, every gesture and every word has to be carefully weighed. Within this framework, Colonel Menendez unquestionably did the right thing in receiving a delegation of human rights organization leaders who were interested in the whereabouts of the then missing Ana Maria Martinez. His action had favorable international repercussions and served to show that the government was not afraid of looking into things because it had nothing to hide.

Healing Wounds

Given what happened to Mrs Martinez, the issue of missing persons came to the forefront of the national debate. To top it all off, some quite reliable reports that the statute would include a clause preventing what happened during the war against subversion from being looked into in the future, caused quite a to-do.

The odd thing is that the to-do was not caused specifically by the ban on looking into what happened. Quite to the contrary, the political leaders of the major parties, as well as the great majority of the people, are not at all interested in probing old wounds or looking into anything. There was a cruel war here, and there are excesses in every war.

The to-do was caused by the inclusion of the clause in the statute; in other words, we are talking about a legal-political phenomenon. Political leaders have already pledged not to look into the actions of the Armed Forces in a future congress but they do not want documents telling them so. The other reasons have to do with internal fronts, but the fact of the matter does not go beyond this framework.

We will have to see how two viewpoints that coincide on the basic issue (letting the wounds of war heal in peace) can be reconciled.

The past week was quite uncomfortable for the notary from Chaco who chairs the Peronist council. The pressures exerted by the CGT [General Labor Confederation] and the 62 within the party caused its National Council to decree at its Wednesday meeting that converting the multiparty group into a multi-sector group ought to be emphasized.

This stand is openly at odds with the one backed by Bittel himself, who is aware of the limits to dissent in the political pentagon and realizes that if the CGT were to join, it would wind up shattering its entire structure, leaving him without an internal or external platform.

This is why Bittel made a determined effort to take effective power away from the Standing Board of the Multiparty, inasmuch as its Peronist representatives, headed by Nestor Carrasco, are inclined to recognize the CGT exclusively (displacing the CNT-20 [National Labor Commission]) and to bring it into the hitherto five-sided organization.

The problem here is that the "hardliners" (in other words, the ones who want a multisector and mobilization) are a direct majority on the Standing Board, which is made up of three representatives of each member party, whereas among the five organization presidents only Oscar Allende could be considered a "hardliner."

Of course, Bittel's problem is more symbolic than real because this is not the way things are. In the first place, a "weighted vote" system is used on the Standing Board. This ultraconservative anachronism has become popular at the source of our democratic leaders to level off somewhat the differences in electoral support. Thus, a Radical vote is worth three Intransigent votes, and one Peronist vote counts two MID [Integration and Development Movement] ballots. Conclusion: Although the hardliners have a simple majority, the moderates still control the board.

Secondly, Bittel is acting like a moderate, but his party ordered to him to behave like a hardliner. From the looks of things, the Chaco notary ignored the order at Friday's multiparty meeting and continued to vote like a moderate.

As a result we can say that although Bittel lost the internal battle among Peronists, he continued to behave outwardly as if nothing had happened. The complaints will without doubt begin to be heard as of tomorrow and will further complicate the Peronist picture when the time comes to reorganize the party under the upcoming statute.

The Limits of the Multiparty

Once again the political pentagon's main debate centered on the confrontation between hardliners and moderates as to whether or not to become a multisector group, in other words, whether to be a government alternative or a focal point of active opposition.

So far, both the Radicals and the MID people, as well as some Peronists and Christian Democrats, have been able to impose restraint, but the question is: How long will they be able to if the socioeconomic situation continues to get worse? The answers, in a way, have to come from the government.

From the looks of things, the Casa Rosada has already given certain hints of support for the position of the moderates. Although Galtieri's "political team" has plans that do not coincide with the multiparty's, it seems to have come to the conclusion that a strong but moderate multiparty group is preferable to a weak but hardline multisector group. This view is not shared by all power groups, however.

The groups that draw a parallel between this political juncture and Lanusse's term cannot help but compare the multiparty with the Hour of the People. Hence, the leaders of the five-sided group are stubbornly trying to show that theirs is not an electoral alliance (the Radicals have already emphatically clarified that when elections are held, they will run alone) but rather a search for common ground that, after the elections, will make possible a national platform that will bolster our democratic institutions. The Armed Forces have to be taken into account in this arrangement, and therefore the multiparty cannot be turned into an opposition focal point today.

This is the reason for opposition to the incorporation of the labor movement (in other words, the shift to a multisector group), with which it would be impossible not to move towards head-on opposition. The moderates cannot imagine what the decision-making process would be like with Ubaldini and Triacca sitting at the same table with Bittel, Contin, Frondizi, Carro and Alende. That is to say, they envision something along these lines: Bittel fighting with Ubaldini, Alende getting tough with the labor leaders who favor agitation, and Triacca arguing with Frondizi, which would impair Frondizi's dialogue with the Radicals, who look approvingly on the CNT-20. At best, the divorce would be immediate.

Now then, the CGT people are going to keep pressuring for the multisector but will not venture an active campaign (a strike, for example) because they have doubts about their ability to rally their forces. Meanwhile, the moderates will say that the labor movement has to grow stronger before

a move is made to a multisector grouping. As is to be expected, everyone will be passing the buck. But for how long? There are two responses to this.

If the socioeconomic picture continues to get worse (and the drop in the inflation rate is just one facet and does not reflect the scope of the crisis), the limits to vacillation will be determined by what has come to be called the "social explosion." The explosion could occur with a series of strikes at various places in Greater Buenos Aires and in industrial centers, which would force union leaders to take the lead so as not to be outdone by the rank-and-file. Naturally, a development like this would harden the entire opposition.

The second response is that for the time being things will remain more or less in their current shaky equilibrium. In this case, the deadline is the enactment of the statute. From that point on there would be an impasse in the workings of the five-sided group because the leaders would have to take a look at their own ranks.

Doubts, Resentments and Prospects

The multiparty set the official dates for the rallies in the interior on Friday (the first one will be on 19 March in Parana), but everything had been decided on 2 weeks ago. It was at that point that a leader (an Intransigent to be exact) broke the pact of silence and disclosed the dates and places to a newsman. The news hit like a bombshell among the affiliates in the interior, which felt that their federal rights had been usurped by decision-making in Buenos Aires.

This slipup was undoubtedly one of the reasons why the post of multiparty coordinating secretary, a sort of official spokesman, was created. Appointed to fill it was Radical Enrique Vanoli, a man who has excellent relations with the press.

Another reason for resentment among the people in the multiparty is that some of them are accusing the labor leaders of being "loudmouths" but do-nothings. These leaders are contending that the unions should organize for a strike but should not go on strike right now because they would run the serious risk of failure.

With regard to the medium-term prospects, it is taken for granted that as soon as the statute is enacted, the leaders will fall back to their places of origin and work directly among local affiliates and engage in internal battles. The feeling is that this falling back will last at least 8 months.

This could of course work in the MID and among the Radicals, but what about Peronism? Many politicians are quietly admitting that they have doubts about a rapid organization of Peronism: "The Peronist politicians have matured," they say, "but the union branch is not prudent enough to restrain its ambitions to control the party."

This seems to be the key: We will have to see whether Peronism can function as a party or whether it will continue to operate as a rowdy movement. This piece of information is of paramount importance for our future democracy.

The Dilemma of FUFEP0 [Popular Federalist Forces]

On Tuesday the City Hotel on Bolivar Street will hear the voices of those who support the government, along with harsh criticism of the Finance Ministry, a number of requests for intendancies for daughters of governors and quite a bit of internal quarreling.

There will only be one topic: who will succeed Horacio Guzman as leader of the Process's main group of friends. The candidates are Ismael Amit from La Pampa and Francisco Gabrielli from Mendoza. Opinion samplings give a slight advantage to the caudillo from Cuyo.

What about Frugoli? The democrat who has held many ministerial posts is apparently far removed from these goings on but is, on the other hand, the first choice to take over as leader of the MON [National Opinion Movement], MOFEA or whatever the new independent party being promoted by the Casa Rosada is eventually called.

Frugoli has been consolidating his position as the Process's most likely dauphin, a role that he will have to compete for with Aguado, Guzman and Bravo after the statute is issued.

As far as FUFEP0 is concerned, Governor Guzman's daughter has her sights set on his former office. Even though she is rather young, to judge by Argentine political tradition, because of the intensive activities in which she has been engaged in recent years, she cannot be ruled out.

In spite of her efforts, however, she has been ruled out as mayor of Buenos Aires, and Dr Mario Russak, the leading candidate until last week, is also reportedly out of the running. At the moment, things look good for Vazquez Mansilla, an architect and president of the Jockey Club, an organization that although it cannot cast too many votes, can work together with a great many important people, and in politics this is nothing to be sneered at.

Economic Camouflage

It is an accepted fact that President Galtieri is not going to take measures that would leave his economy minister holding the bag, but there can be no question that the economy minister will have to adapt to the political needs as set forth in official plans. If this rule is broken, anything could happen.

For the time being, however, it looks as if they are finding ways to reconcile their positions. This week the Casa Rosada will endeavor to resolve the Chaco cotton problem. Ruiz Palacios was very specific: Subsidies are needed. Alemann was categorical: There will be no more subsidies.

With the battle lines thus drawn, someone would have to come out looking very bad. But the people in the Interior Ministry are seeking a way to give subsidies that do not look like subsidies. These "camouflaged" subsidies (as they are called) would enable the government to weather the storm, although they fool no one; they are further proof that economic and political plans are incompatible.

The second piece of camouflage would be used to boost pensions, which Galtieri will reportedly announce after receiving delegations of retired persons, possibly in the second week of March. The funds for the increase will not come from the Treasury's coffers but from genuine social security system resources, in other words, from revenues. Social Action is working full tilt to find a way to obtain these revenues, although it is taken for granted that it will find them.

Another option is that there will be a parallel increase for government workers, which would make the transfer of resources immediate. In this connection, all indications are that the increase as of 1 April for the aforementioned union will also be announced in mid-March.

What is being looked into is how to make the announcement without making it seem as if Alemann is backing off. There is talk, for example, of prorating the half-Christmas bonus, which would be compensated for later on. Whatever the conditions are, however, the evidence is clear: In order to make political progress, the nation's economic nerves have to be calmed, with or without the cooperation of the Finance Ministry.

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REPORT ON INTERNAL REORGANIZATION OF PERONIST MOVEMENT

Buenos Aires CLARIN in Spanish 28 Feb 82 pp 8-9, 55

[Notes and interviews by Oscar Raul Cardoso and Antonio Cesar Morere; reports by Luis Maria Serroels (Parana), Osvaldo Ortiz (Neuquen), Jose Antonio Arrieguez (Jujuy), Dante Di Lorenzo (Mendoza), Eduardo Lopez (Resistencia), Roberto Garcia (Tucuman), Omar Robino (Cordoba) and Raul Oscar Fernandez (La Plata)]

[Text] Even though after 6 years of an uninterrupted "emergency" all of the titles and representative posts that people are talking about will soon be subject to review, no one can seriously question the fact that the Peronist National Movement is still the majority political force in Argentine society.

Nevertheless, this supremacy, which not even the current military government (set up upon the overthrow of the last Peronist government) tries to deny, seems to be weakened by internal factions that at least at times seem more interested in competing for political space than in putting together a movement.

It is not the purpose of this report to explain the reasons why this is so; this might not even be possible at this juncture, because of the lack of a proper historical perspective. Nevertheless, some clarifications are necessary for an understanding of today's "political map" of the Peronist leadership.

Since the Peronist National Movement (MNP) was based on the unquestioned leadership of one individual (the MNP's history shows how all problems, major and trivial, were always brought to its leader for a decision), it urgently needed an organization more than 1 year before the fall of the last constitutional government.

We can, in fact, specify 1 July 1974, the date of Lt Gen Juan Domingo Peron's death, as the turning point in Peronism's history.

Peronism's problems in this regard are doubtless greater than the ones that the other political groups will have to face when things return to normal. This is because in addition to the limitations imposed on it by a tradition that rejects rigid structures, its interests go far beyond those of a strict political party.

The Peronist Party, historically the MNP's electoral arm, has had to vie for space (and will surely do so in the future) within an organization in which a strong trade union structure has also operated, a structure that has always been reluctant to subordinate its own objectives to the dictates of the political leadership. This does not take into account other sectors that, within an essentially multiclass movement, seek to develop with their own characteristics.

What is more, more than a few Peronist leaders are currently saying that there are just two valid alternatives (which are necessarily at odds) in the competition for General Peron's legacy: the factions that will make their "historic wager" on the movement, if it is well organized, and those that will wager on an exclusive party structure.

Lastly, we must not fail to realize that because Peronism is the most important political expression of the Argentine social fabric, it cannot but reflect the contradictions that are inherent in it today.

Let us take a look then at the potential and the characteristics of Peronism in 1982 as it faces its difficult future.

More by her absence than by her actual presence, Mrs Maria Estela Martinez de Peron has exercised an inherited leadership over the movement as a whole ever since her overthrow. The nature of her power is substantially different from her husband's inasmuch as he could choose between the options that arose within his movement and, once a decision had been made, compensate the displaced sectors in the long or the short run.

Mrs Peron, a leader once said, "can only say no, and in contrast, it would be harder for her to impose a specific exclusionary course." With the organization she is looking for to replace the original leadership still lacking, Peron's widow is necessarily the reference point for Peronism's cadres. In the peculiar language of its activists, she is the "guarantee of unity."

Below the reference point the biggest space is occupied by the political and trade union faction. The youth group has to overcome the burdensome legacy of its immediate past, marked by political violence, and the influence of the women's faction is decidedly relative in that it lacks leaders of national standing.

Within the political branch, the first deputy chairman of the National Council of Peronism, notary Deolindo Bittel, has come to be regarded as the most important of Peronism's national leaders.

Because of support for or opposition to his efforts, since 1976 he has achieved a national standing that he had previously been denied as a Peronist. His presence on the leadership board of the multiparty group confirms his heightened personal status.

Nevertheless, the fact is that he has been unable to complement this with a political structure responsive to his leadership, aside from Peronism in Chaco (he was twice governor of the province), which follows him as a bloc.

A group of leaders with an unquestionably Peronist tradition (the repeatedly mentioned though undefined "historic Peronism") has been of critical support to Bittel over these 6 years. This group includes men like Angel F. Robledo, Miguel Unamuno, Italo Luder, Jose Maria Castineiras de Dios, Ricardo Guardo, Andres Framini, Vicente L. Saadi, Manuel Arauz Castex, Roberto Ares, Antonio Cafiero, et cetera.

Nevertheless, each of these men represents a slightly different view. Furthermore, Luder, Robledo and Arauz Castex are Mrs Peron's attorneys (after being part of a moderately "antiverticalist" faction), which gives them additional space of their own.

The aforementioned critical support under crucial circumstances can be seen clearly in this incident. About 2 months before Ricardo Balbin's death, a group of men belonging to "historic Peronism" went with Bittel to visit the ailing Radical leader in La Plata. The course of events made his presence look like a farewell tribute.

Aside from these circumstantial contacts, Bittel has the backing of the so-called "La Plata group," which consists of former national Deputy Jose Carmelo Amerise, Rene Orsi and former provincial deputy and current interventor of Peronism in Buenos Aires, Alberto Proia.

Since September 1981 Proia, who asserts that "the era of hand-picked men is over," has intensified contacts with major districts such as Pergamino, General Sarmiento, General San Martin, Moron, San Isidro, Lomas de Zamora, Bahia Blanca, Mar del Plata, et cetera.

A national level alternative to Bittel's course of action in Buenos Aires is represented by former provincial Deputy Lazaro Roca, the visible head of the "ultraverticalist" faction who also has a seat on the party's National Council.

We should clarify some commonly used terms here. A legacy of the caudillo's years, the term "verticalism," after he died, came to mean the line separating adherence to and rejection of Mrs Peron's leadership.

During the latter part of her administration and for the first 2 years after her overthrow, the line was more clear-cut than it is now. Realizing that their power is based on their role in the MNP and vanishes outside its ranks, its leaders have chosen to defer clarification of this issue.

Only the so-called Movement of Peronist Doctrinary Reaffirmation, created in 1978 by Raul Matera, Enrique Osella Munoz, Alberto Iturbe, Alberto Seru Garcia, Rodolfo Tecera del Franco, Delia Parodi and Luis Rubeo, among others, now openly challenges the validity of this principle.

Another national alternative is the restructured "League of Governors," which for all practical purposes is being headed up by the former governor of San Juan, Eloy Camus. It has gotten its biggest backing in the provinces of San Luis and Mendoza.

Camus, the president of the now dormant National Congress of the Peronist Party, maintains skillful and strict control over Peronism in his province, including the regional affiliate of the General Labor Confederation, which Jose Montano (brewery workers union) heads.

Trapped by its own rifts, the Peronist union structure today is far from exerting the decisive influence on the MNP as a whole that characterized it in the years prior to 1976.

What remains of its internal influence, which still and all is no minor thing, is mostly channeled through the figure of metalworkers union leader Lorenzo Miguel, who last year succeeded in reviving the 62 Peronist Trade Union Organizations.

Peronist Party adviser Herminio Iglesias (former intendant of Avellaneda) is the spokesman of this trade union sector on the National Council. Several sources consulted noted, however, that Iglesias also has his own ambitions.

Both Miguel and Lorenzo have been in contact lately with the former governor of Corrientes, Julio Romero, who from his exile in Paraguay has been trying to establish himself as a valid alternative to the party leadership that Bittel exercises. Romero is portraying himself as a "center-right" option, and among Peronist leaders he is the one who has the best dialogue going with this third shift in the military process.

This line also has a representative in the province of Buenos Aires in the person of rancher Tomas de Anchorena, the former ambassador in England, who has political ties to Romero.

Unamuno, a former labor minister under Mrs Peron, has brought together in the Federal Capital a group of former lawmakers and leaders of "historic Peronism." It includes Mario Gonzalez (former councilman), Andres Framini (textile workers leader and ex-governor-elect of Buenos Aires) and Francisco Campolongo. So far at least, this group has not portrayed itself as an alternative and merely makes periodic pronouncements while strengthening its ties both with the political and the trade union sector.

Below these groups there are other activities under way as well. One example is the patient work that the men in the former Guard of Iron (a group that was formally dissolved in 1974 after Peron's death) have been doing with an eye towards putting together an MNP leadership. Leaders like Unamuno, Ares, Jose Rodriguez (secretary general of SMATA [Union of Mechanics and Related Automotive Transport Workers]) and others in the interior of the country have associated themselves with this initiative.

In contrast, the activists in the so-called GRUPO LINEA (the name of the monthly publication that Jose Maria Rosa publishes and directs) have opted for organizational and recruitment work among youth. These men belong to the former Encuadramiento sector and have what can be regarded as their political base in Rosario.

The more recent options (it is less than a year old, in fact) include Peronist Intransigence, which is portraying itself as the MNP's "left wing." Its main mentors have been Vicente L. Saadi (former national senator) and Nilda Garre (former national deputy).

Let's take a look now at the situation in a number of districts in the interior. In Cordoba, it is the "orthodox" sector that despite acknowledging several shadings of opinion, exercises control over the Peronist ranks, responding in disciplined fashion to the party's directives.

Active in this sector are the national adviser of the Peronist Party, Leonardo Obeid; former Governor Raul Lucini, and the former president of the National University of Cordoba, Mario Victor Menso. The group has the backing of several former lawmakers, genuine regional caudillos and labor leaders like Mauricio Labat and Cataldo Cuatrocho (62 Organizations).

Two other orthodox groups are Unity and Loyalty and Permanent Round Table, which are headed by Raul Bercovich Rodriguez and Julio Antun respectively.

In Tucuman, Peronist Party leadership is held by interventor Dora Nelly Zapata, although her authority has been openly ignored by a large faction.

The dispute has not yet been resolved (the establishment of the provincial multiparty group has even been put off), largely because some of the natural leaders of Peronism, such as Nicasio Sanchez Toranza (former national deputy) and Amado Juri (former governor) would rather avoid clarifying things and wait for the future process of normalization.

Mendoza is another of the provinces in which the "orthodox" sector predominates. The party interventor there, Jose Carlos Motta, is doing his job in an atmosphere in which there are not too many controversies; only occasionally has one of the factions, 17 October, led by retired Lt Col Horacio Fernandez, expressed a degree of dissent, and always in connection with minor decisions.

Other influential groups in Mendoza are De Pie Junto a Peron [Standing Next to Peron] or the Whites (most of them intellectuals, including Francisco Leiva, Isaias Mathus and retired Gen Pedro L. Lucero) and the Blues (former lawmakers like Luis Pressaco).

The situation is very similar in Entre Rios, where Peronism has remained along the orthodox course that characterized its origins. The political sector, in which men like former Governor Tomas Cresto are active, clearly predominates over the trade union sector.

In Jujuy, the man with the most weight is former national Senator Humberto Martiarena, who controls the party structure, albeit with some opposition from internal factions like the ones represented by Jose Nasif (founder of the Peronist Party) and Roberto de Aparici (councilman of the provincial Peronist Party).

In Santa Fe, the party structure is under intervention, on orders from the National Council. The job is being done by a six-person group, divided into two three-man boards in the northern and southern zones of the province.

The triumvirate based in the provincial capital has received some challenges from the trade union sector, and at present the electoral authorities recognize only Ovidio Lopez (political branch) as interventor.

Neuquen is a case apart, because here the Justicialista Party is definitely the number two political force. First place is held by the Neuquen Popular Movement, which is headed by former Governor Felipe Sapag.

A little more than a year ago, the "neo-Peronist" Sapag and the leaders of the Justicialista Party seemed headed towards an accord that now appears out of the question. In spite of his undeniable willingness to converse and cooperate with the military government (he has let some of his staff go so that they could take posts in the provincial administration), Sapag does not seem to be leading his group towards the Federalist forces either.

This is how things stand (the rifts are many and interlinked) as Peronism gets set for political party normalization, which in its case will not eliminate the problem, inasmuch as the superstructure of the movement will subsist.

It seems impossible that a single internal faction will manage to impose a common course of action on the rest. Tough negotiations among the factions seem more likely.

It is hard to say how and at what cost they will be held. Nevertheless, the Peronists are well aware that reorganization is the key to their survival and they remember that in any case, as Peron himself used to say, if you "want to make an omelet," you cannot avoid "breaking a few eggs."

Historic Peronism: Robledo Calls for an Overhaul

Former Minister Angel Federico Robledo chairs the Council of Justicialista Action on the eve of the inauguration of its headquarters in this capital, which represents a prelude to intensive political activity.

Among the leading Peronist figures in this faction are Italo Argentino Luder and Manuel Arauz Castex, who, along with Robledo, are the attorneys of the former president, Mrs Maria Estela Martinez de Peron.

This faction is calling for a "rigorous" internal democracy and an overhaul of methodologies and programs, as well as new leadership blood.

It views Peronism as a "political community" in which the various branches (political, trade union and women) have a voice in the "movement," from which they exert their influence on the Peronist Party, which, however, maintains its independence and does not become a mere appendage of the "movement."

Lorenzo Miguel Guiding the 62: Union Influence

Describing the trade union sector, where the bulk of Peronism's political power lies, is a complicated matter, not only because it has its own independent dynamics but also because these dynamics are interrelated with the dynamics of the political branch's leadership personnel.

At the risk of ignoring shadings in our description, we can identify three groups that exert influence in the MNP, although this does not exhaust the strictly trade union factions:

--The 62 Peronist Trade Union Organizations, led by Lorenzo Miguel (UOM [Metalworkers Union]). This can be regarded as the "orthodox" group and it includes leaders like Rogelio Papagno (UOCRA [Construction Workers Union of the Argentine Republic]), Jose Minichilo (commerce) and Hugo Curto (UOM).

--The Peronist Union Movement (or "the 25"), whose most prominent representatives are Jose Rodriguez (SMATA), Roberto Garcia (taxi drivers) and Ricardo Perez (teamsters). Although they are part of the "62" and are members of the CGT along with Miguel and his people, there are differences between the two groups.

--The Intersectoral (CNT, "20"), a group under fire from the other two because of their varying stands towards the military government.

Its best known leaders are Jorge Triaca (plastics), Luis Guerrero and Ruben Marcos (UOM).

Miguel and Guerrero recently managed to unify a leadership for their trade union, though this does not yet mean that Guerrero has joined the CGT.

Triaca's case is more complicated. Until last year he was a member of the leadership triumvirate of the Peronist Party in the Federal Capital, but he was formally expelled. Despite this incident, Triaca continues to attack the party's leaders.

"I have to join with the party's majority voice," he told CLARIN, "which feels that the Superior Council must represent a cohesive Peronism, despite which my stand vis-a-vis the council members continues to be one of critical support."

"I think that different tactics and strategies are needed at the moment," he added.

"All internal factions," Triaca went on to say, "ought to have a place in a movement as complex as Peronism. Hence and in light of the regrettable absence of our undisputable leader, we Peronists must get used to voicing criticism, to being criticized and to defending, when all is said and done, the majority view that emerges from dissent."

Triaca also felt that "specifically, Peronism must be a movement in which we get used to having internal democracy, which is something that we have never achieved, and not because we didn't exactly need it."

We should point out that what we have outlined so far does not cover all the factions or the men in them. The fact is that a description of Peronist trade unionism is a whole separate topic, both because of its diversified makeup and its influential presence in the Peronist National Movement.

Julio Romero: Centrism Looking for a Spot

Some time ago the former governor of Corrientes, Julio Romero, launched the Harmonizing Current of Justicialismo, whose basic proposal was, and still is, "the unity of the democratic citizenry, the Armed Forces and the Church."

Well-known episodes later caused Romero to leave the country, and he settled in Asuncion. This brought the development of the faction to a halt, although he has held frequent meetings in the Paraguayan capital.

Supporters of Romero assert that the former Corrientes governor, who is in the process of resolving some pending legal matters, will return to the province next month.

Romero will then head for Buenos Aires and later make a swing around the country to broaden his group's foundation and formulate a proposal for "national reconstruction and democratic institutionalization."

As far as the "Romero faction" is concerned, the reorganization of Peronism "must take place from bottom to top, by encouraging the participation of members in all party activities and, naturally, in the free and secret election of party authorities."

This faction does not deny that its head is friendly with the nation's president but rejects any charges that it is a "government party."

Vicente Saadi: Intransigent Blueprint

The group of Peronist Intransigents, led by Vicente Leonides Saadi and Nilda Garre, among others, often takes the "hardest-line" stands of all the factions on the Peronist spectrum.

Harshly critical of the military regime, it calls for an unqualified return to a "state of law" as one of its main rallying cries and, for example, rejects tying an institutional solution to a ban on investigating what was done during the struggle against subversion.

They argue that it will be the future Congress and the judges "of the constitution" who will decide on such an investigation, because "everyone, including the Armed Forces, will be subordinate" to the authorities that emerge from compliance with the constitution.

They feel that with Peron dead the only way to reorganize the party is "internal democracy" and they reject any sort of intervention in the parties. They

point out that any eventual government monitoring of party reorganization processes could be done solely through a supervisor appointed by the electoral authorities.

The Peronist Intransigents support the multiparty insofar as it is pushing for a return to institutional normalcy and contend that "the only effective means of achieving this objective is grassroots mobilization."

Highest Authority in Argentina: Bittel Calls for a Clean Game

Peronism "is in a position to undertake the widest-ranging reorganization process," Deolindo Felipe Bittel, the deputy chairman of the Peronist National Council, asserted. He stressed, furthermore, that "the party's authorities are strongly in favor of the unfettered workings of internal democracy," and he voiced opposition to party interventors.

In this regard, Bittel asserted that "we will have to do our utmost (there must not be any doubts in this regard) so that the internal process is clean, so that all sectors can coexist and so that our members can express themselves, as they should, without any sort of pressure on them. In this way, the authorities that emerge will be truly representative, thus fulfilling the desire of all Peronists that our leadership be in the hands of our most loyal and capable people."

With regard to the mechanics that the government could eventually establish for party reorganization, Bittel indicated that "the government has to be very careful about this." According to rumors going around in recent weeks, the reorganization processes would be entrusted to current party authorities as long as they were not challenged. In this connection, Bittel felt that "the government will have to take into account who formulates any such challenges." He recalled that not long ago the courts ordered Peronism intervened, and "it turned out that the person who had filed the charge was not even a member of the party."

He went on to say that "all that we are asking of the government is a clean game. We feel that the government has every right to monitor the internal process, to guarantee precisely what we want to make sure of, which is the freedom of expression of the members."

Camus and the League of Governors: "Rejecting Dubious Compromises"

From San Juan, the province that he governed until 1976, the chairman of the Peronist National Council, Eloy Camus, has been heading up a Peronist offensive in the interior, one of the moves in which was the creation of the "League of Governors."

Both Camus's personal activities and the activities channeled through the league, which includes the orthodox members of the old Peronist guard, are designed to bolster within Peronism a concept that has deep roots in the nation's tradition: federalism.

The Peronists who espouse this philosophy seem ready to combat the pressures and interests that are emerging in the political arena in the Federal Capital and that, as in the past, seek to shatter the predominance of the "port of Buenos Aires."

Camus supports the multiparty but at the same time defends the individuality of Peronism. He points out that "it is true that the Justicialista Movement is part of the multiparty, but this is exclusively to deal with this juncture. Once this problem is over, Peronism will regain its individuality and run in the next elections by itself."

In this connection, he underscores that "Peronism will not enter into any dubious compromises nor give up its electoral majority, of which it is well aware."

In addition, he vindicates the leading role of the labor movement and predicts that "in a few more days there will again be a single CGT, which will represent all of the country's workers."

Raul Matera: Antiverticalism

Raul Matera heads up the Movement of Justicialista Doctrinary Reaffirmation. To him "the need to overcome a methodology bereft of all currency after the illustrious leader's death requires a thoroughgoing clarification that, in turn, spurs the transformation from a servile flock into an organization whose operational capacity guarantees the ascendancy of Peronist principles."

Matera has spelled out the following basic objectives of his group:

--To spread and defend the principles underlying Peronist doctrine and the accomplishments of the governments headed by Lieutenant General Peron.

--To strive for the democratization of the movement by recognizing competent, representative leaders freely chosen by the party's members.

Lazaro Roca: Ultraverticalism

"Ultraverticalism" is a faction that so far has no organizational structure and is characterized basically by its emphatic assertion that Mrs Peron is the head of Peronism.

This faction includes the "liaison committee" chaired by the secretary general of the Peronist National Council, Lazaro Roca; a group of leaders such as Juan Labake, Humberto Martiarena and Carmelo Amerise, and the women's branch. Labake indicated that there is no leadership board or group, just "a coordination of efforts."

Aside from its emphatic solidarity with Mrs Peron, "ultraverticalism" is marked by a harshly critical position vis-a-vis the military government.

The "ultraverticalists" take exception to the Peronists whom they see as having intentions of negotiating with the military.

Many of the leaders who belong to this faction signed an "oath" some time ago in which they pledged to push for investigations into government measures taken during the current institutional term.

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MULTIPARTY'S POSITION MORE CLEARLY DEFINED

Buenos Aires LA PRENSA in Spanish 5 Mar 82 p 14

[From the 'Observer' column]

[Summary] Recent events have helped to more clearly define the Multiparty's profile. Secret exchanges between the Multiparty and important representatives from the Socialist Democrats, Progressive Democrats and Christian Democratic Union to achieve a sectorial understanding seemed to have failed. Although there were no official statements to that effect, it is possible to make some commentary, supported by other events, past and present, which can also help to define the Multiparty's makeup.

This refusal on the part of the PSD [Socialist Democratic Party], PDP [Progressive Democratic Party] and the UCD [Christian Democratic Union] brings to mind the well-known meeting at the Claridge Hotel between these political forces and General Harguindeguy, who tried then to launch the MON [Movement of National Opinion]. Although Gen Harguindeguy is no longer part of the Process, those ideas still "seem to discreetly conserve their luster and hope."

Other Hopes

Possibly the PSD, the PDP and the UCD's complete dissociation from the Multiparty might stem from a desire to "avoid any contamination through contact with Peronism" for two possible reasons: a) a sincere dislike for the justicialists, and b) the probability of proscriptions.

This does not appear to be a deterrent for the Argentine Socialist Confederation, the Unified Socialist Party, the Popular Line, two other socialist factions and the two factions within the FIP [Popular Leftist Front], who met with the Political Commission of the Multiparty, probably to exchange ideas on a plan of action. Unofficially, the Multiparty has been defined as a "center-left" alliance, mostly based on what it excludes than on what it includes.

What It Excludes

Hopes for a political force heir to the Process have faded for many reasons. However, another no less coherent political mosaic made up of Manrique's

Federalist Party, Massera's Social Democracy, FUFEP0 [Popular Federalist Force], the PSD, the PDP, the UCD and some other sector could form another multiparty. To these there must be added the new conservative sector and the "independent force" proposed by President Galtieri.

And the Organic Charter?

In the forefront, the Armed Forces have already made known its conditions. Its demands that a civilian government not review the issue of the disappeared is simply absurd.

To place the political parties in a situation whereby they would enter into such an agreement would lead to the belief in an "eventual escalation of similar demands; at some later date, for instance, they might be asked not to review a single administrative action by the Process." There is a certain analogy to the "extortionist-victim situation." Once the latter pays the first installment, the former is assured of the next.

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GOVERNMENT TO ISSUE LIST OF RESOLVED DISAPPEARANCES

PY250240 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1623 GMT 23 Mar 82

[Text] Buenos Aires, 23 Mar (NA)--Interior Minister Alfredo Saint Jean revealed at noon today that the government is going to maintain the state of siege "as long as it is required by security conditions."

The interior minister said the General Labor Confederation (CGT) was not legally recognized in view of the rally announced for 30 March in Plaza de Mayo.

During a press conference Saint Jean disclosed a list of people held at the disposal of the executive branch who have been released.

According to the list, 20 persons were affected by several decrees and are now free under surveillance and another 60 persons are no longer at the disposal of the executive branch. The government has also ordered the expulsion of the French-Paraguayan citizen Edmundo Antonio Ferreyra Vrignaud.

Saint Jean also made "a call to all political parties and all sectors of national life to act within the framework of mutual respect, prudence, understanding and largess."

He said: "The government is willing to set an example."

Asked about the possibility of exclusions in the act of institutional responsibility, the interior minister said that this is under the jurisdiction of the military junta and that this matter should be proposed by the secretary generals of the armed forces.

He said that "There are now 627 persons under arrest at the disposal of the executive branch but we are studying every case to exactly determine how dangerous they are with regard to national security."

He pointed out that "if we believe that they can be reintegrated into society without affecting national security, we will continue to release them as we have been doing."

Regarding missing persons, Saint Jean said that he did not want to give any more details now but that he "would like to think it over."

He said: "Missing persons are the consequences of all wars. This is an experience, statistic of all wars. We put an end to a war and also--as history shows at the end of a war after progress was made in clarifying the situation of those arrested--those cases that can be cleared up are then made known to the public."

He went on to say that "this is our intention and logically, in these clarifications some of the circumstances we had to face in the war against terrorism will be taken into consideration."

He then said that "we are going to report to the public the list of persons whose whereabouts have been clarified, something we have already done for the relatives of those people."

He said: "In other words, all those cases which have been clarified have been reported to the direct relatives as soon as possible so as not to leave them in the anguished situation created by having a missing relative."

He said, however, that "the public has never received this kind of report on the many cases which have been clarified."

Asked about the number of cases cleared up, the interior minister said: "I would prefer not to say anything on this matter because we have to establish a date for when people began to disappear as the result of the war. We will also have to establish a closing date; therefore the figures will have to be condensed within these limits."

He added: "Logically, there may be some fluctuations but considering that a few years have passed since terrorist activity was stopped, the cases which may appear are going to be isolated cases."

The interior minister was also asked about the government's position on the rally announced by the General Labor Confederation for 30 March at Plaza de Mayo.

He said: "That is a matter which has not even been announced officially and furthermore, the organization that announced it has no official representativity. Thus I will not discuss it at this time."

Asked whether there was a move to ban that rally, he said: "That is absolutely false. We have laws and these laws must be enforced. This is the thing we have to keep in mind. No decision has yet been made with regard to that."

In reply to another question he said: "I did not announce the lifting of the state of siege. What I said was that gradually we are achieving better security conditions, as you can see...and that it would be more comfortable for us to rule without the state of siege."

He added: "We feel this way because freedom runs deep in the Argentine spirit. Therefore, I believe that from this viewpoint it should be clearly understood that it would be good for us, that we would like not to have the state of siege but that we will maintain it for as long as it is required for security purposes."

He noted that "to the extent that we make progress we will be moving closer to the time for lifting the state of siege. This is something the government has been permanently keeping in sight. This does not mean that we are going to lift the state of siege...this should be made quite clear...."

Asked about the possibility of establishing a mechanism to replace the state of siege, Saint Jean pointed out that the Interior Ministry has been studying "the possibility of establishing a mechanism which would not force us to keep the entire Argentine people under security requirements stemming from the state of siege but which would enable us to impose restricted freedom only on those who may threaten national security."

Finally, he noted that those detainees who are released "are initially free under surveillance because we are concerned about their readjustment to society."

He made it clear that "this is not a strictly security measure but one designed to secure their readjustment to society. We have even contacted the various churches for them to provide spiritual support to those who are leaving jail and are still under surveillance."

He added: "We have also asked businessmen to provide for their job needs so that their reentry into society may take place under favorable conditions, so that they will not again fall back into the violent attitude they had before going to jail."

CSO: 3010/1142

YACYRETA DIRECTOR EXPLAINS REASONS FOR RESIGNATION

PY261803 Buenos Aires TELAM in Spanish 2354 GMT 25 Mar 82

[Text] Buenos Aires, 25 Mar (TELAM)---The following is the text of the letter submitted to the president of the nation this evening by Brig Gen Lino Montiel Forzano in which he resigns from his post as executive director of Yacyreta Binational Enterprise:

Your Excellency, the President of the nation:

I have the honor of addressing your excellency, the president, regarding my offer to resign made in telephone call on 29 December 1981 and which I reaffirmed on the first occasion I had to meet with your excellency on 11 January and which was once again reaffirmed on 11 March during the audience I had requested.

At your request I have postponed this moment since your excellency was still not able to find an overall solution to the problem of Yacyreta. On that occasion I brought up the question of whether the current Argentine directors of Yacyreta should or should not continue in their posts. I have also postponed this up to this moment because I did not want to add the slightest bit of new worry for your arduous administration.

Today, after 9 months as head of Yacyreta, I present my irrevocable resignation from the post as executive director of the Yacyreta Binational Enterprise because, as I personally told your excellency and later repeated to the minister of public works and services, I believe that a new administration must have absolute freedom to make the appropriate decisions through officials who are absolutely identified with the ideas of the administration.

Unfortunately during the past 3 months of your administration, during which I debated between responsibly fulfilling my task as head of the binational entity and the hastening desire to resign from that post due to the treatment given to me, I have not been able to find out whether I am or am not identified with your ideas regarding Yacyreta. Whereas I continually and insistently sought contact with your excellency, the minister of public works and services and with other high-ranking officials, I have never been given the least orientation as far as the established intentions and objectives are concerned, except for the issue of reductions in the budget.

As I repeatedly stated, notwithstanding the fact that I was the head and obvious adviser on the issue, I have been systematically excluded from the commissions or meetings held to study the future of the enterprise and the project. This fact has led me to make this decision to resign from the post to give freedom to the authorities to designate an adviser possessing their confidence for the good of the enterprise, and especially of our country.

Hoping that God will always illumine your administration, I also want to extend greetings and my expressions of respect.

CSO: 3010/1142

BHC GROUP MOVES TO CONSOLIDATE HOLDINGS

Santiago EL MERCURIO in Spanish 4 Mar 82 p B1

[Text] Creation of an executive vice presidency and the decision to consolidate the principal businesses were the most important rationalization measures adopted by the BHC business group, sources from that business conglomerate told ECONOMIA Y NEGOCIOS.

The report indicates that economist Rolf Luders was chosen for the recently created post of executive vice president, whose task will be to oversee the group's planned programs. The post will function with the participation of division and area directors.

The informants indicated that the vice president will also implement the necessary mechanisms to conduct executive training programs and to provide the information systems that facilitate adequate flow of data on the various units. Moreover, it is intended to encourage broader participation at the various levels.

The informants said that data would also go to the pertinent authorities and to the media.

Investment Politics

Regarding the BHC group investments, it was reported that they are changing from "expansion," as in the past, to stressing "selectivity and the consolidation of principal investments." Moreover, they are also considering eventual reduction of the number of shares, so that the general volume of the operation does not reach unmanageable administrative size, according to the sources.

Necessary Adjustment

Asked about the reasons for these measures, the informants said that they are being taken as part of "a readjustment in the face of the difficulties characteristic of a recession in order to take advantage of the opportunities of the subsequent period of economic expansion."

They added that the readjustment began toward the end of 1981, with the study of the annual budgets of the businesses for this period, plans which have been restricted with regard to investments and expenses of operation. There are also specific measures like pay cuts agreed upon by the executives and the suspension of the large-scale wage increase mechanism.

It was indicated that all these measures are necessary to face the difficulties arising from an economy characterized by excessive spending, and they have been implemented in a climate of remarkable understanding by the personnel involved.

The sources stressed that what is being done is to "improve the existing structure according to previous years' experience" and so carry out more efficiently the legal modifications which have been in force since last year.

According to information on the operation of the business group, it was explained that the basic principles will continue to be applied by those now in charge of the units, principles which may be summarized as a minimum of centralized leadership and a maximum of independent operation of the companies.

The minimal centralized leadership, the informants added, consists of the preparation of strategy plans, programs and budgets generated at the company level, which are readjusted and improved based on analysis by the research accounting offices, and put into practice once they are approved by the board of directors of BHC companies.

Our sources said that "the optimum use of resources will continue to be a basic goal, as it has in the past, in order for the companies to do their job effectively in the market."

Appointments

The board of directors of the BHC companies includes Javier Vial, president and members Joaquin Figueroa; Rolf Luders; Cesar Sepulveda; Sergio Molina, director of the legal department; and Alfredo Vidaurre, director of research.

As we have said, Rolf Luders will serve as executive vice president. The following people have been appointed directors: Cristian Valdes, for the Finance Division; Jorge Behrmann, in the Industrial Division; and Manuel Castro, for the Investment Associations.

His appointment removes Cristian Valdes from the post of general manager of the BCH Bank, a position that lawyer and economist Pedro Cabezon was named to fill. Cabezon was formerly the deputy and international general manager of the institution. Ludwig Vetter was named to fill Jorge Behrmann's post as general manager of the Techno-Industrial Company.

In conclusion, the sources said cooperation with social and cultural development will continue to be part of the BNC companies' policy, within obvious limits imposed by achieving the fundamental economic goals.

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CSO: 3010/1046

ARICA AUTO PLANT CLOSURE POSSIBLE

Santiago EL MERCURIO in Spanish 3 Mar 82 p C 7

[Text] Arica--"If current conditions continue until 1983, that is, if the Arica Auto Plant is not approved for the Industrial Free Zone system, we will simply close our doors, because we cannot compete with tax-exempt vehicles. At present, it is much more expensive to build in Chile than to buy abroad," said Pierre Chapar, manager of the Arica Auto Plant, when he was asked about the future of the Arica plant.

"Currently we have a production schedule for the entire year, and we are awaiting results of high level negotiations on including our industry in the machine-metal category of the Industrial Free Zone, a situation that would be very good for us. It would make it possible for us to attune ourselves with the auto business, and we might have to hire more people," Pierre Chapar said.

Hope

The Arica plant currently employs 135 people, who build 6 or 7 CX automobiles a day, according to the production schedule for the rest of the year, which may change according to the market.

He explained that regional and provincial authorities have taken a great interest in the company's plans.

According to the local executive, the Industrial Free Zone system will permit improved prospects in neighboring countries; it will increase activity at the plant, in the manufacturing section as well as service, and, one of the most significant factors, will permit sale of the automobiles in the First Region, a completely restricted market to date.

The parts would be brought in by way of the Free Zone, and the vehicles would be imported through Arica. The spokesman said that it would greatly encourage manufacture of automobiles that are appraised to enter the Free Zone.

"I think that this is a way of encouraging domestic production, which would provide more jobs, thus fulfilling its social role," the Arica Auto Plant executive indicated.

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CSO: 3010/1046

DIRECT MARITIME ROUTE TO ISRAEL PLANNED

Santiago EL MERCURIO in Spanish 3 Mar 82 p C 2

[Text] The opening of a direct maritime route between the port of Haifa (located in the northern part of Israel) and Valparaiso is one of the main objectives of an upcoming visit to our country by Israeli Ministry of Economy and Commerce Gideon Patt.

According to the Israeli Embassy, trade between the two countries has been increasing in recent years, going from \$2.7 million in 1979 to \$40 million between 1980 and 1981.

The main products Chile sells to Israel are copper and lumber, and it buys medical, electronic, and communications equipment, such as a telephone plant imported by a private Chilean company.

During his stay in this country, from 7 to 12 March 1982, Minister Patt will meet with Sergio de Castro, minister of finance; Brig Gen Rolando Ramos, minister of economy; and Rene Rojas Galdames, minister of foreign relations.

The secretary of state will sign an agreement on trade and economic cooperation between Chile and Israel.

The delegation includes Deputy Director General for Foreign Trade Moshe Semadar, Director of the Economic Department of the Israeli Embassy Moshe Raviv and a delegation of eight businessmen representing the most important private activities of the nation.

Shipping Line

Included in the delegation is the Latin American representative of ZIM, the Israeli shipping company which will open a direct shipping line between Haifa and Valparaiso. The company has more than 100 ships and is considered the number 2 container transporter in the world.

Mixed Company

During this trade mission's visit, the first Chilean-Israeli mixed company will be initiated. The company, to be called Miro Solar and located on San Pablo street in the capital, will produce armatures for water heaters in its early phase.

In 1980 and 1981, two Israeli trade missions have visited this country, one of them composed of representatives from a general range of businesses, and the other of delegates from the agricultural sector.

This delegation's visit is of great importance to our country since it is such a high-level group coming from a nation known for its advanced economic development and for its broad knowledge of international markets.

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CSO: 3010/1046

BUSINESS SECTORS EXPRESS CONCERN OVER U.S. PLAN

Bogota EL TIEMPO in Spanish 26 Feb 82 pp 1-A, 13-A

[Article by Jaime Horta D.]

[Text] The Colombian business sector expressed concern and in some cases open protest over the exclusion of Colombia from the economic plan of the United States for the Caribbean, whereas President Julio Cesar Turbay put his faith in a bilateral agreement with that country "which would compensate for losses that Colombia will suffer in its exports."

President Ronald Reagan's plan was well received in Central America and in the Caribbean with words of praise in El Salvador and Jamaica. The presidents of Costa Rica, Honduras, Panama and El Salvador will meet specifically tomorrow on Saturday in San Jose to consider in detail the U.S. initiative.

The meeting will also be attended by the coordinator of the governing junta in Nicaragua, Daniel Ortega. This was protested by Guatemala who boycotted the meeting.

President Turbay said that Colombia does not oppose anything that favors the countries of the Caribbean basin but that the government is studying the impact that such a policy might have on its foreign trade.

"For this purpose," he added, "next Monday we will send the directors of the Export Promotion Fund [PROEXPO] and the Colombian Foreign Trade Institute [INCOMEX] to Washington so that they can consider, with their counterparts in the United States, a bilateral agreement with that country which would compensate for the losses that Colombia will suffer as its export rate decreases in relationship to those of Central America and the Caribbean which have been favored by a general preferential system for 2 years."

However, the director of INCOMEX, Edgard Moncayo, stated that "it is not necessary to exaggerate the negative consequences" of the U.S. plan which, in his judgement, "has a very clear political justification" given the situation in the Caribbean.

Moncayo said that the plan "does not present a great distortion" in trade with Colombia which already enjoys certain exemptions through a general preferential

system. According to INCOMEX, there are only two products worthy of concern: sugar and flowers. On the other hand, he praised the agreement signed just yesterday with the United States by which an export quota of 260 million yards of thread, cloth and clothing was granted annually for 4 years.

Adverse Reactions

Adverse opinions were expressed by Colombian leaders in the export industry, especially producers of sugar and bananas and leather manufacturers.

"For sugar alone, the consequences will be catastrophic," stated the president of the Colombian Sugar Growers Association [ASOCANA], Hernan Borrero Urrutia. "We are in trouble," summarized Ricardo Villaveces, the ASOCANA representative in Bogota.

According to Borrero, the plan is "simple, phrased in somewhat disguised language which can be summarized as follows: to send U.S. transnational companies to countries designated as Caribbean in order to produce all types of tropical agricultural goods and products there, with the possible exception of textiles (American investment in the area with tax privileges). We assume that the profits will belong to the investors."

He added that "surely we will be told that we will emerge triumphant with democracy in the Caribbean, forgetting (how strange!) about what happened with Nicaragua, where by acting as saviours, we ended up being crucified."

Colombia exported about 177,000 tons of sugar in 1981, of which 157,000 tons went to the United States. The elimination of tariffs for Caribbean countries could result in a new reduction in the price of sugar which now sells for 13 cents a pound. The Dominican Republic, for example, exports 700,000 tons, and an increase of 10 percent could take Colombian production off the market.

The National Exporters Association [ANALDEX] stated through its president, Alfonso Rojas Llorente, that it must await the development of plans by the U.S. Congress but that the vested rights of Colombia must be taken into account.

He agreed that the goods that would be most affected are sugar, flowers, bananas and rum.

Sales to Transnational Companies

Banana exporters, led by Lazaro Mejia Arango, former director of national taxation, said that President Reagan's plan increases the advantages to the transnational companies in Central America who have traditionally been the owners of that fruit industry. In Colombia, the proprietors are small farmers.

"From that point of view, the plan is unjust for Colombia and overly advantageous, not to the Central American countries, but to the transnational companies," stated the president of the Banana Growers Union of Uraba.

Mejia Arango said that although the provisions of the agreement are not completely known, the exemption of Central American production for 12 years leaves open the possibility of jeopardizing Colombian fruit which is currently exempt from taxation.

Colombia has been exporting 170,000 cases of bananas weekly to the United States. According to Mejia Arango, the panorama of this agricultural sector is becoming gloomy because the world glut is accompanied by the following circumstances:

- 1) the black sigatoka
- 2) the crisis in socialist economies which has decreased purchases of the fruit due to balance of trade problems
- 3) the notable recession in Europe
- 4) The American monetary policy which revalued the dollar and places the exporting position of Colombian products which are negotiated in that currency at a disadvantage, and
- 5) The Reagan plan of preferences in competition with Colombian fruit.

Finally, the president of the National Association of Leather Manufacturers, Richard Perlman, said that the U.S. plan creates stronger competition for Colombian leather jackets and purses which have gradually won over the U.S. market.

Nevertheless, he clarified that they would not be taken out of the market because it is not such a fragile market. "We can feel the pinch of the 10 percent tariff reduction" for the Caribbean competitors, observed Perlman.

Colombia exported leather products for \$25 million in 1981.

Statement by Turbay

President Turbay issued the following statement regarding the Caribbean plan: "Colombia applauds the decision of the United States, announced yesterday by President Reagan, to help the countries in the Caribbean basin. It is the same proposal that we had presented to former President Carter some time ago, and I am certain that its having been accepted and developed would have avoided many headaches.

"Naturally we do not oppose anything that favors the countries of the Caribbean basin, but we are studying the impact that such a policy might have on our foreign trade. For this purpose, next Monday we will send the directors of PROEXPO and INCOMEX to Washington so that they can consider, with their counterparts in the United States, a bilateral agreement which would compensate for the losses that Colombia will suffer as its export rate decreases in relationship to those of Central America and the Caribbean which have been favored by a general preferential system for 12 years."

"In my conversations with high-ranking officials of the U.S. Government, contracts between our delegates and the respective American authorities have been anticipated. I hope that the results are satisfactory."

The text of the ASOCANA statement follows:

Crucified Saviours

In a report which I presented to the governing board of ASOCANA in October of last year on the occasion of the meeting held at Bal Harbour, Florida on sugar industry policy, I expressed for the first time my concern about the idea which was then being conceived by the U.S. government for establishing a type of free zone in that country for products from the area which was starting to be referred to as the "Caribbean basin."

The strange part of the matter is that Colombia was not included as a Caribbean country, in spite of its having the most extensive coastline of any country on that ocean. Neither was Venezuela included. On the other hand, El Salvador which has coasts on the Pacific Ocean and not on the Caribbean, was included. According to highly informed sources, as it is usually stated, it is a matter of an initiative of a political nature, and because logic frequently does not play a part in politics, the geographical question was not important, but rather the position of the countries in the sentiments of the U.S. government.

The plan is simple, and President Reagan, as well as Senator Percy and Under-secretary of Commerce, Mr. Brock, have stated it in more or less disguised language which can be summarized as follows: to send U.S. transnational companies to countries designated as Caribbean countries in order to produce all types of tropical agricultural goods and products there, with the possible exception of textiles (American investment with tax privileges) and to receive them tax-free in the United States (extension of trade in the area). We assume that the profits will belong to the investors.

We discussed this topic with the Colombian ambassador in London and high-ranking officials of the U.S. government last November. Serious questions emerged from these conversations regarding what would happen to many Colombian exports, including sugar, bananas, coffee, flowers and others, since Colombia did not qualify politically as a Caribbean country.

The ambassador acted, and the Ministry of Foreign Affairs began to become concerned, transmitting this concern to Washington. Then PROEXPO and INCOMEX started to worry, and of course some of the unions who were made aware of what was cooking in the White House. Plans were made, but suddenly something happened: Colombia, through some magic stroke bestowed on it by some distinguished Yankee visitors, had become transformed from a Caribbean country which was not part of the Caribbean into a foreign power in order to help the Caribbean, along with Venezuela, Mexico and Canada in spite of the fact that we were never invited, as they were, to meetings in which the programs were drawn up.

We have been somewhat cautious in this matter while seeking the support of the Colombian Government in defending us from something that is going to be detrimental to us; but since it seems that there has been a change in direction, we have decided to deal with the subject, and have been further encouraged by the statements of the National Association of Financial Institutions [ANIF]--

which predict a crisis for Colombian exports to the United States under the Caribbean plan--and by the well thought-out article by Enrique Caballero which appeared in the February 21 edition of EL ESPECTADOR. "If United States capital is channeled to production in the area of Central America," says Caballero, "and the United States lowers tariffs in its favor, will Colombian exports not suffer a mortal blow?" For sugar alone, the consequences will be catastrophic.

The most serious thing about all of this is that we seem convinced that we must lend our help in order for the plan to be carried out, proud of the handfull of dollars that we have succeeded in accumulating with great sacrifice, while on the other hand, official voices invite us to the commercial conquest of the Caribbean by means of special fleets which would carry the products back and forth. Which conquest and of what, after the initiative of the Caribbean basin is in effect? Is it perhaps forgotten that the few small islands that remain outside the countries which are included there politically, still belong mainly to the ACP countries made up of old French, English and Dutch colonies?

Is it not known that they have their own Caribbean plan with the European Common Market through special agreements, and that therefore we do not have the slightest chance of incorporating them into our sphere of trade? If it concerns us, we will be left with trade with San Andres and Providencia which is, for the most part, contraband.

Paradoxically, by listening to frightened politologists who invite us to this crusade against communism, we are going to be in the same situation as Cuba, isolated commercially, looking outside of our sphere for a market for our products, without even enjoying the preferential markets that the Cubans have. It is necessary for the Colombian Government to address itself to this policy in order to know on what we can rely.

Surely we will be told that we will emerge triumphant with democracy in the Caribbean, forgetting (how strange) about what happened with Nicaragua, where by acting as saviours, we ended up being crucified.

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CSOL 3010/1050

ECONOMIC CRISIS MAY CAUSE INDUSTRY SHUTDOWNS

San Jose LA NACION in Spanish 28 Jan 82 p 2A

[Article by Lafitte Fernandez R.: "Crisis Threatens Shutdown of Industries"]

[Text] Approximately 33 percent of 200 of the nation's large and medium industries will have to shut down if the present economic situation does not improve, according to a survey designed and carried out by the Economic Research Institute of the University of Costa Rica.

The problems that could compel those industrialists to reach this decision are financial with respect to raw material supplies, production and distribution of their products.

The university researchers completed this survey recently and disclosed their findings under the heading "Evolution of Industry in Costa Rica during 1981 and Outlook for 1982."

Of the 200 industrialists interviewed, 65 percent stated they have no problems as regards continuing their work despite the difficult economic situation.

Of the remaining third, 45 percent replied that they will be facing serious problems during the next 6 months; others stated they will be studying the question of whether to shut down sooner.

The survey finds that within the next 120 days serious could confront those establishments that manufacture wood products, apparel, printing press and publishing industry products, construction materials, metalworks products, and chemical and plastics products.

The report states that the interviews were confined to large and medium enterprises on the basis that "they can be expected to be in a better position to weather the current crisis than small enterprises."

The study discloses the outlook of the industrialists with respect to renegotiation of their foreign debt, and their projected levels of production, employment, investment and productive capacity.

Model

The project was headed by lawyer Manuel Villasuso, and its chief researcher was lawyer Carlos Izurieta. Forty other persons took part in carrying it out.

It defines an industrial establishment as any factory, workshop or other establishment dedicated to the transformation or enhancement of raw materials, or the assembly or finishing of products. Repairs of automotive equipment, household appliances and furniture are excluded.

It finds that 66 percent of the industrialists interviewed acknowledged they owe money to foreign banks.

A little over two-thirds of the 200 businessmen interviewed, however, stated they intend to renegotiate the terms of their loans.

The largest number of firms having foreign debts is found in the following sectors: Paper products, printing and publishing, chemical products, petroleum by-products, rubber and plastics, and metalworking.

The smallest number of firms with foreign debt is found in the following sectors: other manufacturing industries, nonmetallic minerals, wood products, textiles and food.

The Outlook

Most of the industrialists predicted that a production-recessive trend will continue to make itself felt during the first half of 1982 (during 1981, industry experienced a negative growth of 4.6 percent).

The expected regression for industry as a whole during the first half of this year is 2 percent. The sectors most affected by this regression are likely to be those producing wood products and furniture (12.7 percent); paper, printing and publishing (7.5 percent), chemical products, rubber and plastics (6.4 percent) and other manufacturing industries (18 percent).

The nonmetallic minerals and metalworking sectors are expected to continue registering negative rates, but lesser ones than in 1981.

The only industrial sectors that expect to grow slightly are those producing food products, beverages and tobaccos (they estimate their growth will be around 2.5 percent).

The textile, apparel and leather goods industries also expect a growth rate of around 5.6 percent.

However, despite their expectations that the recession in their activities will continue during the first half of this year, the industrialists think that conditions during the second half will be conducive to a recovery.

Thus, while the first 6 months will show a 2-percent drop in production, total production is expected to be up by 1.4 percent by year-end.

This upturn is expected to ensue from the changed conditions that could result from the change of government in May.

The only exceptions to this forecast might be in the food, beverages and tobacco sector (in which an annual growth rate of 0.6 percent, a lower one than during the first half, is expected), and in the nonmetallic minerals sector, which expects a drop of 4.9 percent for the year, equal to that of the first half.

Employment and Investment

The study indicates that the projections with respect to employment during the first half of 1982 are consistent with those relating to production.

It is calculated that all industries, taken as a whole, expect a reduction of 2.7 percent in employed personnel, which would indicate slightly greater reductions in employment than those projected for production.

In addition, 68 percent of the industrialists stated that in 1982 they will not invest in fixed assets. This percentage is higher than that of the industrialists (49 percent) who acknowledged that they had not invested during 1981.

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CSO: 3010/862

SIGNIFICANT RISE OF INTERNATIONAL COFFEE PRICES

San Jose LA NACION in Spanish 3 Feb 82 p 2A

[Text] The international selling price of coffee has risen significantly, the quoted price on the New York Exchange now being \$150 a sack, according to the executive director of the Coffee Office, lawyer Mario Fernandez Urpi.

According to market statistics, the price rose \$40 yesterday from its former price of \$110 a 60-kilogram sack, producing the favorable price increase for "other mild Arabians," which is the category in which Costa Rican coffee is classified.

The 1981-1982 harvest is estimated at 1,874,000 60-kg sacks, while that of the previous period totaled 2,033,000 sacks. As of 31 January, 1,920,000 fanegas had been picked and 380,000 sacks sold for export, bringing in \$55 million and representing 20 percent of the estimated harvest.

In the coffee trade, the bean is quoted by volume and sold by weight. Hence the use of the fanega, equivalent to 400 liters, and the sack, weighing 60 kilograms, as measures.

Lawyer Fernandez attributed the price rise to frost conditions in Brazil and to agreements with the International Coffee Organization in London, establishing a quota mechanism.

The official pointed out that this mechanism, which was approved in September of last year, has to date operated to the direct benefit of the producers.

Fernandez Urpi also pointed out that this year's harvest will be 159,000 sacks less than last year's. The drop is owing mainly to lack of timely credits, international prices representing no incentive to producers, and cyclic problems.

In view of the substantial price improvement, Fernandez estimates that the forthcoming harvest could bring a higher return than the present one.

He also said preparations are proceeding for the 11th National Coffee Growers Congress that is to be held on the premises of the Coffee Office on 14 February.

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CSO: 3010/862

BRIEFS

COUNTRY'S DEFICIT--San Jose, 11 Mar (ACAN-EFE)--Costa Rican Treasury Minister Emilio Garnier Borella today announced that the country's deficit dropped by 1.7 million colones (\$85 million) in 1981. The minister said that factors that helped in these positive results were a considerable increase in revenues as well as success in the program to reduce public expenses. [PA260419 Panama City ACAN in Spanish 1654 GMT 11 Mar 82]

FOREIGN EXCHANGE--According to a Central Bank study, it lost 2.731 billion colones in foreign exchange when it sold them at a rate lower than that of the free market. This loss was attributed to sales made to the government, the Social Security Institute, the Costa Rican oil refinery and students abroad. It was also attributed to the dollars that were sold in order to finance imports carried out through the Central American clearing house. [PA260419 San Jose LA NACION in Spanish 1 Mar 82 pp 1A, 4A]

CSO: 3010/1178

U.S. POLICY FOR CARIBBEAN REGION SCORED

Havana DIRECT FROM CUBA in English 31 Jan 82 pp 22-24

[Article by Juan R. Laforte]

[Text] MEXICO CITY, Jan 11 (PL)--The United States Government continues determined to go ahead with its projected "Minimarshall Plan" and thereby create a climate favorable to its transnationals in the Central American and Caribbean area.

Excelsior reported that President Ronald Reagan will propose to Congress this month a package of measures providing favorable treatment for the importing of raw materials (some of them strategic), farm and semi processed articles from the Caribbean and Central America.

All this with the condition that the nations of the area establish a climate favorable to US investments and boost their imports of made in USA industrial goods as part of a "Program for Multilateral Assistance for the Development of the Region" better known as the Minimarshall plan.

White House sources told Excelsior that the proposals to be presented to Congress by Reagan are wholly in keeping with the jointly defined goals of the Governments of Canada, Venezuela and Mexico for assisting the development of Central America and the Caribbean, on the part of these nations plus the USA, also known as the "Nassau Group".

According to the White House the official aim of the Reagan initiative is to carry out the US government "pledge" to cooperate with Canada, Venezuela and Mexico in a coordinated program of development aid made public in July during Mexican President Jose Lopez Portillo's visit to the United States.

However the Mexican and Canadian positions regarding the Caribbean plan tend to depict the Reagan proposals as unilateral and taken without consultation with the other countries that are supposedly involved in the scheme.

The Canadian Government has on several occasions said that the assistance program should not be applied on the basis of unilateral measures and that it should be based on consultation with each and every country that would supposedly be benefitted.

For its part Mexico from the onset, defined through its Foreign Minister Jorge Castaneda its firm opposition to the US pretensions.

President Lopez Portillo presented three basic conditions for his country to take part.

First that no country of the area be excluded for political reasons, second that the program does not include military aid and third, that the plan not be part of the United States global strategy of fighting "international communism."

US secretary of State Alexander Haig and the Foreign Ministers of Mexico, Canada and Venezuela met a few months ago in Nassau, Bahamas to try to shape the proposal of the Reagan administration and obtain the consent of the other governments.

Once again Mexico maintained its positions and all observers felt that the Mexican-US contradictions meant definitive failure of the plan.

Subsequently a meeting of officials of all the countries that would be benefitted by the program was held with representatives of the US, Canada and Venezuela in the Dominican Republic.

But Cuba was not invited and Mexico in keeping with its previous formulations, did not send a delegation. Castaneda himself would later state that Mexico was not represented because Cuba had been excluded.

A few week ago a meeting was held in Florida of private business leaders (25 of the most important corporations operating in the area), representatives of the private sector of all the countries of the area and government officials of nearly all, including five presidents.

Cuba and Grenada were totally absent while Nicaragua and Mexico were represented only by private business. Here, once again the US Government interest was pointed up in having private investment being the essential from of development aid. That has been rejected even by Venezuela whose positions alongside the USA are well know.

In the entire region only Costa Rica, El Salvador, Guatemala, Haiti and Jamaica have voiced their readiness to accept the us version of the plan.

Many other governments of the area have said that such "AID" would benefit only those countries with a minimum infrastructure attractive to the transnationals and international.

Banking but that it would not serve the development of the neediest nations which would have to subordinate their national interests to foreign corporate interests.

Despite all that, what is most noteworthy is the fact that the US government continues to mention Mexico as part of the regional cooperation program and

takes for granted that the Mexican government endorses the Washington initiative when in reality all that has been stated indicates it has become a purely US project.

Even Honduran Minister of Economy Ruben Mondragon declared that the so-called Nassau Group failed due to the contradictions between Mexico and the USA.

CSO: 3020/73

MORA HERMAN CRITICIZES REAGAN'S FOREIGN POLICY

Havana DIRECT FROM CUBA in English 31 Jan 82 pp 27-29

[Article by Carlos Mora Herman, from Prensa Latina]

[Text] The meeting of the members of the North Atlantic Treaty Organization (NATO) recently concluded in Brussels, constitutes- another evidence of the U.S. interference in Poland and its desperate effort to obtain the approval of aggressive measures against the Polish people and the Soviet Union.

The final declaration of the Ministers of Foreign Affairs of NATO in a meeting which took place on last Monday, January 11, is nothing else than a rude interference in the internal affairs of Poland, full of falsehoods and distortions of the truth.

It wasn't possible for them to hide that Washington's allies in Europe did not want to back the unilateral measures adopted by President Ronald Reagan against the USSR.

Those measures include the suspension of the export licences of material and petroleum, electronic and advanced technology equipment -it also suspends the renovation of the USSR-U.S.A. Sea Agreement, the flights of Aeroflot, and delays the renewing of the long term negotiations for the sale of cereals.

Washington's European allies and the European Economic Community expressed that they will not join the decision adopted by Reagan. This was specially made clear in the cases of Federal Germany and France.

West-German Foreign Minister, Helmut Schmidt, put into doubt the effectivity of the measures adopted by the U.S. President - and the Social-Democrat, Willy Brandt, also rejected the application of economic sanctions against the USSR.

At the beginning of January it was manifested that the Government of the United States was virtually isolated in the imposition of those sanctions, the U.S. ex-ambassador to the USSR, George Kennan, said that there was a limit in what the U.S. could do against the USSR and that the sanctions requested by Reagan went far ahead of that limit.

Commentator, Sam Szulc stated that the Reagan foreign policy is confusing and contradictory, without a centralized direction and with serious rivalities within the leading team.

The newspaper, the New York Times, has rated that foreign policy as the "outrage diplomacy".

Of course, Reagan and his team are angry because the civil war did not begin in Poland, "Solidarity did not assume power and eliminated socialism. They are furious because all their intrigues and efforts to detour Poland from the socialist road to the capitalist one, have failed, their CIA and the agents working in that sense failed again - and the solution was found by the Polish people who in spite of the imperialist propaganda, is socialist and defends socialism.

The unilateral measures announced by Reagan worsen the internal United States crisis, place where there are already nine and a half million unemployed caused by Washington's economy policy which is affecting the living standards of millions of American citizens, especially the producing majorities.

In a prepotent and aggressive tone Nato's declaration are only angry words. Truly speaking about actions, Reagan has not been able to align his European allies to apply solid actions against Poland and the USSR and that is what counts.

CSO: 3020/74

REAGAN'S 'RADIO MARTI' POLICY CRITICIZED

Havana DIRECT FROM CUBA in English 31 Jan 82 p 3

[Text] WASHINGTON, Jan 22 (PL)--President Ronald Reagan appointed Clifton White, a member of the Republican Party, as chairman of the Presidential Commission which will control the "Radio Marti" network which will broadcast propaganda against the Cuban Government and people.

As it was disclosed, the draft legislation for the establishment of Radio Marti was already presented to the Senate and will soon be submitted to the House of Representatives.

The other members making up the Presidential Commission appointed by Reagan to control the anticuban radio network are:

- William Bourne Bayer, political editor and commentarist of Radio Winz of Miami.
- Joseph Coors, Chairman of the Coors Brewery, from Colorado.
- Tirso del Junco, Chairman of the Republican Party of California, a state in which there are training camps of terrorists of Cuban origin undergoing training to carry out an invasion against Cuba as the US press has confirmed.
- George Jacobs, Former Director of Accoustic Engineering of the Junta of US international Radio Broadcast.
- Jorge Mas, Chairman of Church and Tower and Engineering Firm, with headquarters in Miami, Florida.
- Richard Scaife, a taycoon of the Pittsburgh editorial industry.
- Herbert Schemertz, Deputy President of Public Relations of the "Mobil Oil" enterprise.
- Richard Stone, ex Senador for the state of Florida, and outstanding for his attacks against Cuba.
- Charles Wick, Chairman of the International Communications Agency of the United States, who commands the transmission of the radio network "La Voz de Las Americas".

PCC SECOND CONGRESS FOREIGN POLICY RESOLUTION NOTED

Havana GRANMA in Spanish 13, 22 Feb 82

[13 Feb 82 p 2]

[Part I of article by Arsenio Rodriguez]

[Text] The purpose of this material, which is being published in two parts, is to provide a complementary report that may serve to help the groups studying the resolution on international policy approved by the Second Party Congress, scheduled to be conducted this month in all our party cells.

The development of international events during the period covered by the Second Congress to date confirms the validity of the analyses and the evaluation formulated in the international policy resolution approved at the biggest Cuban Communist meeting.

As is appropriate for our approach to historical development, the resolution first of all takes inventory of the great victories our people achieved between the First and Second Congresses and reaffirms the characteristic feature of our era: the revolutionary transition from capitalism to socialism and the deepening of capitalism's general crisis in all respects.

Combined with the existence of a world balance of power that today decidedly favors socialism, the worker movement and the national liberation movement, these realities in part explain the reason for the renewal of imperialist aggression in the world, especially American aggression, which both the resolution and the main report presented by Comrade Fidel take note of.

The foreign policy conducted by the Reagan administration since it took over in January of last year clearly and expressly demonstrates that the objectives of the American rulers are to pursue recovery of that country's dominant superiority in the world.

These objectives, which appeared theoretically formulated in the policies drawn up by the current President's foreign policy ideologists and advisers before the election victory and which have been applied with great consistency in practice, are decidedly aimed at the old imperialist attempt to turn back the advances of the revolutionary and socialist forces in the world, now backed with more inflexible

and dangerous approaches. In the development of the Yankee policy, the predominance of judgments leading to confrontation with the USSR in all areas and a dangerous decision to militarily strengthen the United States are evident, unleashing a frenzied arms race with the United States proclaiming that it is ready to negotiate only from positions of strength.

At odds with world public opinion, the United States' argument is based on the need for preparing itself not only for a nuclear war with the USSR, but also to be able to deal with a prolonged, conventional war, with simultaneous conflicts in various parts of the world.

Over a year after the Second Congress, events in the world picture offer evidence of the warlike intentions of American imperialism and its direct or indirect presence in the chief centers of tension in the international arena.

All this explains why in 1981-1986 the U.S. Government will double the amount of its military expenditures, from \$177.1 billion this year to \$367.2 billion in 1986, why discussion on the SALT agreements has been delayed and, finally, why it will approve the manufacture of the neutron bomb.

"What is new and disturbing about the international situation," the Second Congress resolution on foreign policy states, "is that the threats to the process of detente by the most reactionary imperialist sectors, denounced 5 years ago by the supreme forum of our party, have led to the interruption of the process and resurgence of the danger of a new cold war period, in the shadows of which we in fact now find ourselves and, even worse, to an increase in the real possibilities of a generalized world war."

But in spite of this aggressive policy, the progressive, democratic and revolutionary forces of the world have abandoned neither their defense of peace nor the positions they have gained in the struggle against international reactionism.

In this context and on the occasion of the meeting of the chairmanship of the World Peace Council in Havana, Comrade Fidel reiterated the need for constant, energetic action for peace without lessening our efforts to incorporate it into all those factors likely to strengthen the front of resistance to imperialist aggression.

The resolution stresses the fact that a powerful obstacle to this aggressiveness is the Soviet Union's firm and constant peace policy, a policy that is not based on weak military positions, but on the full capability of defeating any attack. This capability and determination have been quite clearly reaffirmed by Soviet leaders. But also, and especially on the occasion of the holding of the Soviet Communists' 26th Congress, Lenin's fatherland calmly and firmly reiterated its original position on international problems and Comrade Brezhnev presented new initiatives in defense of peace which were immediately seconded by our party and major world political forces.

Another factor that should be taken into account when analyzing the current international situation and the policy of domination the American imperialists are trying to apply is the presence of differences between the latter and their chief allies. Studying the imperialist phenomenon, Lenin even then noted that differences within the system were inevitable.

We must say that the United States has not succeeded in getting its dangerous confrontation policy unconditionally accepted by its European allies and Japan. Neither from the economic point of view nor from that of their own security and national interests are the latter ready to follow the trail the White House is blazing without major difficulties. On the other hand, the American policy on the dollar and interest rates and U.S. positions on other problems relating to international trade, which in the end damage the economies of its partners, do not contribute to greater harmony within this group of countries.

Earlier we mentioned the American imperialist presence in the chief centers of tension in the international arena. New elements have appeared in it that fully agree with the ultrareactionary line the Reagan administration is trying to follow.

One of these is the unadorned, public support of the odious apartheid regime in South Africa, which without even blushing the United States regards as a reliable ally. This position has already gotten some results: the increase in the South African Government's pressures and hostile actions against Angola, Mozambique and other countries of the southern part of the continent and overt attacks on the peoples of Angola and Namibia. Its imperial domination was exposed when the United States refused to condemn these attacks, in spite of being rejected by the international community, which included its closest allies. As for the peoples of Africa, they too have taken note of this unjustifiable behavior.

In Namibia's move toward independence too, the new Yankee administration's policy has had its reverberations. The hope of resolving the conflict created by South Africa's illegal occupation of the territory through a negotiated solution has met with new difficulties stemming from that regime's obstinacy, now openly encouraged by the United States. The negotiations have in fact been stopped. This is a case in which the American position is giving rise to differences within the group of Western powers that are associated with the United States in the process of negotiations.

The countries bordering on the Indian Ocean have on repeated occasions expressed their hope that the area might be turned into a peace zone. They have a legitimate right to this. But also, the realization of such a peace zone would mean a contribution to the relief of international tensions and, therefore, a beneficial measure for the best interests of mankind. However, the imperialists have noticeably been increasing their presence in the Indian Ocean, going so far as to turn it into a dangerous powder keg which includes nuclear weapons in open defiance of the will of the peoples of the area and with a constant threat to their independence and sovereignty.

In another center of conflict, the Middle East, relying on its Zionist police and other reactionary forces, Yankee imperialism goes on developing a policy that proposes to subjugate the independent peoples of the area, to bridle and liquidate the national liberation movement.

The object of this warlike policy, which includes the establishment of new military bases, the training of shock troops and the creation of new centers of conflict designed to destabilize and attack the progressive and independent governments, is to dominate the major oil resources of the countries of the Middle East and to exploit the strategy against the Soviet Union.

The extension of the Camp David agreements and the establishment of an imperialist-Zionist-Arab reactionary alliance for the purpose of liquidating the Palestinian people's just aspirations to create their own, independent state in the territories illegally occupied by Israel is an essential element of this policy.

Here too, excesses in the application of its new policy line are alienating some of the forces in the area, which it would like to attract to its positions, from the American Government. It is no wonder that the sole legitimate representative of the Palestinian people, the Palestine Liberation Organization (PLO), is officially declared a terrorist organization and that a "strategic understanding" has been reached with Israel, the chief enemy of the Arab peoples.

[22 Feb 82 p 2]

[Part II of article by Arsenio Rodriguez]

[Text] This second part of the article that comments on the resolution on international policy approved by our party's Second Congress concludes the article written for the purpose of serving to help the study groups that are to be conducted on this topic in all party cells this month.

How will the aggressive policy of Yankee imperialism materialize in Latin America and the Caribbean in the face of the victories and advances made by the revolutionary movement?

We know that American imperialism will not resign itself to accepting the democratic and social transformations that some of the peoples of Latin America and the Caribbean are carrying out through the exercise of an independence which, until the start of the Cuban Revolution, had been brutally expunged.

The increase in the United States' aggressive and forceful positions in its relations with the area has followed the spiral inherited from President Carter's last administration, with Reagan implementing it by supporting and encouraging the most reactionary governments and forces while expressing open hostility to those processes and causes that defend the interests of the peoples of the area and threatening them with plans for intervention.

But, while this policy, as traditional as pharisaism in its international relations, generates the alignment of the reactionary governments and fascist dictatorships of the region, it on the other hand reaffirms for progressive governments and forces the fact that they are not subordinated to the will of the empire.

The course of events demonstrates that it is no longer easy for American imperialism to achieve its goals and impose its standards on this part of the world. The convulsed Central American situation is a clear example of the failure of U.S. aspirations and the clumsiness of its actions.

An example of this is the fact that the revolutionary process is being consolidated in Nicaragua, despite the many dangers that lie in wait for it, and that the political program outlined by Nicaraguan leaders, the Sandinist National Liberation Front, is being carried out with the support of the people.

In El Salvador the way is open to a people's democratic revolution under the leadership of the Farabundo Marti National Liberation Front (FMLN), which with the participation of the masses is decisively confronting a bloody Christian Democrat military junta that is maintained solely with American support.

In connection with this, it is important to note the constant state of war in El Salvador and the retention of the positions captured by the FMLN which, as the indisputable fighting element and representative of the masses, has the support of the progressive forces in the world in its rejection of Yankee interference. The joint declaration of the governments of Mexico and France attests to the fact.

Of top importance is the situation in Guatemala, where the revolutionary movement is stepping up the people's war and making significant advances in the process of uniting the chief political and military organizations.

And the fact is that, 20 years after the victory of the Cuban Revolution, our continent is today going through a crucial phase in its struggles for national and anti-imperialist liberation.

We can no longer talk of the uniqueness of the Cuban Revolution, since Nicaragua and Grenada's victories not only belie this reactionary belief, but become the two historic events of major importance for the revolutionary struggle in Latin America and the Caribbean, after 1 January 1959.

Alongside these victories, there is the evolution of the national liberation and social movements, accompanied by a revival of the mass movements in different countries.

In this way, the growth of the revolutionary movement in Latin America and the Caribbean is accentuating and accelerating even more the oligarchic-imperialist domination crisis, in particular in Central America, which is today the most explosive area on the continent and to which the United States will continue to devote priority attention.

Most dangerous for peace in the region is the situation in the Caribbean area, where Grenada is strengthening itself in the midst of difficulties and resisting imperialist encirclement and threats of attack and intervention while other progressive governments and forces are reaffirming and developing their struggle.

And in those cases of colonialism that still exist on the continent, advances are being made, like the independence of Belize and the United Nations Decolonization Committee resolution on Puerto Rico.

These and other situations, like the terrible repression that exists in countries under reactionary regimes such as Haiti, Uruguay, Chile, Paraguay and Bolivia, where the most elementary democratic rights are being violated, require the active solidarity of all the world's progressive forces.

All the above confirms the fact that, as the resolution rightly notes, the present time offers evidence of the irreconcilable nature of the difference between

imperialism and the peoples of Latin America and the Caribbean. So, it is clear that the United States does not have, nor will it come up with, solutions to the serious problems the countries of the area are facing.

This is why the much-publicized Mini-Marshall Plan, as a "solution" for Central America and the Caribbean, without, naturally, forgetting the already-noted positions of strength, is condemned to failure just as earlier pseudoreformist attempts were.

However, it so happens that mini-plans put into effect with all the necessary advice and logistical support may really have been included in the operations of the CIA and other American institutions and in secret agreements between the armed forces of El Salvador, Guatemala and Honduras, engineered and blessed by the Pentagon which is engaged in creating joint mobile forces for possible armed intervention in Nicaragua, El Salvador or in any other country where the people are rising to achieve independence and the conquest of their future.

In giving this rapid picture of the current situation our America is in, in terms of both the successes achieved by the people's revolutionary movement and the ever more aggressive actions of the imperialists in the area, the general validity of the outlines traced at our main party event has been confirmed.

The maneuvers and plans for aggression do not matter. The lies and subterfuges used by the enemy do not matter. As the earlier-cited resolution notes, the objective of Cuba's international policy is to contribute to the cause of socialism, the liberation of peoples, progress and peace.

In the face of the complex situation the world is in, the words uttered by Comrade Fidel at the inauguration of the 68th Interparliamentary Union Conference are especially instructive: "We cannot allow ourselves the luxury of being pessimists because then the battle for peace would be lost in advance. We cannot be cowards because then dignity as well as peace would be lost in advance. We can and must preserve peace without faltering in the least, relying on the mobilization of peoples, including those of the United States, and on the immense power of public opinion and the universal conscience demonstrated during Vietnam's heroic struggle, on the present balance of power between socialism and imperialism which the latter is in vain trying to alter in its favor, on peoples' ability and determination to fight to resist any imperialist aggression and on active participation alongside the national liberation movements and those peoples that are struggling for their development and for the defense of their vital historical interests.

These principles have been, are and will be the ones that will guide our international policy.

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CSO: 3010/1103

NEW BONUS PAY SYSTEM BY CETSS DESCRIBED

Havana BOHEMIA in Spanish 5 Feb 82 pp 28-31

[Article by Raul Lazo Gonzalez on interview with Manuel Lopez Mora, director of the Industrial Sector Labor and Wages Organization of the State Committee for Labor and Social Security (CETSS)]

[Text] At times we reporters fail to follow up on our investigations and after tracking down newsworthy events, we lose sight of them and leave our readers without news of major interest.

Something similar to the loss and rediscovery of a news story happened to me in connection with the establishment of the bonus system, which is that part of the wage system that provides a material incentive for enhancing worker responsibility, organization and discipline. Its goal is to boost output and services, enhance economic and technical efficiency, improve quality, furnish incentives for conservation and promote exports. In short, it is something of great interest to us all, and I had broached this issue in a series of articles that I wrote in 1979 and 1980, later to be discontinued.

On this occasion I again found the news trail through a conversation with the director of the Labor Agency in Pinar del Rio, who referred offhand to the successes that had been achieved in implementing pay bonuses to boost conservation of fuels and other raw materials in several of the country's enterprises.

Determined not to lose the trail this time, I plunged along it so that I could bring it to my readers as a modest "hunting trophy." To my surprise, however, this time I came across what I could well describe as "big game," because the interview with Comrade Manuel Lopez Mora, director of the Industrial Sector Labor and Wages Organization of the CETSS disclosed a number of brand-new aspects of the bonus system that had hitherto not been publicized and that our readers will learn about in this exclusive interview with my section of BOHEMIA's economic news.

"Special Bonuses" To Conserve Fuel and Electric Power and To Boost Exports

"In 1982," Manuel Lopez told me, "we will begin giving 'special bonuses' for fuel and electric power conservation and increased exports of several

selected products. The objective of these bonuses is to provide separate incentives for these areas, independently of the pay arrangements that are now in use."

Bonuses for Workers Who Conserve Fuel and Electric Power

"To achieve this goal we will create a bonus pay fund for the conservation of fuel and electricity. The source of the fund will be the savings that we achieve after comparing what we actually used with the planned consumption quotas for production, at the domestic price set by the State Committee for Prices (CEP). In the specific case of electricity, we will convert kilowatts to fuel equivalency.

"The bonuses that are paid out to workers for such conservation cannot exceed the amount of money in the fund generated by the savings we achieve. Therefore, the bonuses will be paid out from the proceeds of half of our savings.

"The percentage that is distributed will depend on the number of workers eligible for the bonuses and on the actual savings. In order for the bonus to be a big enough incentive, we will decide on a minimum fund to be distributed. It will be equivalent to a 10 percent increase in the eligible workers' wages. If we cannot offer this minimum, we will wait until we can before paying out the bonuses.

"The timetable for bonus pay for fuel conservation will depend on the kind of activity involved. It could be monthly, quarterly, etc, depending on whether the aforementioned minimum fund has been raised or not."

In order to distinguish between this system of bonuses and the one that has ordinarily been applied so far, I asked the director what its special features were. He replied that this conservation bonus does not take wages into account for all legal purposes, and this is what differentiates it from the other bonus arrangements that have traditionally been approved and applied in the various branches of the economy.

"We are going to establish this system in selected enterprises, taking into account whether their branch is a heavy user of fuel or electricity. These economic entities will draft bonus pay regulations at the enterprise level, in conjunction with the branch agency, and these regulations will be approved by the CETSS for a 1-year period. After a year new regulations will be drafted on the basis of adjustments to the original level in the previous regulations, taking into account what was actually saved."

[Question] Are these the only features that distinguish the new bonus pay system from the previous one?

[Answer] Another important feature is that all workers with jobs included in the regulations will be entitled to the bonuses, regardless of the job category that they are in and their level of responsibility in the enterprise.

Another interesting feature of this new arrangement is that we will be very careful in setting the conservation index, which will explicitly set forth conditions to prevent conservation from detracting from the quality or volume of output or jeopardizing other inputs or technical-economic indicators.

[Question] Does the new bonus system completely replace the former one?

[Answer] Bonuses are currently paid out under Decree 50 of the Council of Ministers. For jobs in which this incentive exists for reasons other than fuel conservation, the existing bonus will continue to be offered, regardless of whether the new system is adopted as well for the same job.

This new arrangement requires strict monitoring in the enterprise so that it actually fulfills the objective for which it was created, in other words, the urgent need to be more efficient every day by conserving fuel and electricity, which in the end means foreign exchange savings for our country.

Bonuses for Increased Exports

Bonuses for workers who boost exports is another new feature of the system that will start up as of 1982. Here is how it will work.

"We will implement bonus payment systems for increases in exports that bring in foreign exchange. We have selected a group of exports and are directing our efforts towards them, along with all of the factors involved in manufacturing, transporting, handling and selling them.

"Bonus funds will be created to boost these exports. The proceeds will come from the increase in exports over the previous year and the higher price set for these purposes. The system consists of a fund for each product chosen, to be distributed among the enterprises involved in the export chain, to reward their workers.

[Question] Where will the funds come from?

[Answer] The fund will come from the increased exports. It is designed to reward in domestic currency individual workers involved in producing, handling and exporting these products. The proceeds of this fund will be determined by the markup on these products multiplied by the number of units in excess of actual exports the year before.

The payment timetable will depend on the kind of export. When the bonus is paid out more than once a year, only half, not all of the fund will be distributed to the workers, and the other half will be paid out in a separate installment, as long as total output has increased over actual production the year before.

[Question] How will this distribution take place?

[Answer] In order to distribute the bonuses we will first have to determine what percentage of the fund each enterprise in the chain ought to get, in accordance with the number of workers, their average wages and its importance as part of the chain. This will give us a percentage for each enterprise involved, with all of the shares having to add up to 100 percent.

The workers will be able to receive bonuses that exceed 30 percent of their average wages, depending on how much they surpass the quotas by and on the regulations established for these bonuses. Just as with the fuel conservation bonuses, a minimum fund will be set up, and all workers are eligible, regardless of their job category or level of responsibility. The only factor will be their level of involvement and how much impact they had on the production figures.

The money that a worker earns in the form of this special bonus is not part of his wages, nor is it regarded as a wage for any purpose.

Like every bonus system, this new one requires strict monitoring, specifying the levels that are going to be responsible for the various certifications at each link of the export chain, close cooperation among all of the factors and relevant information for all workers involved about the system's objectives and indices. The success of this complex undertaking depends on all this.

A Good Beginning Means a Good End

In drafting the regulations for the bonuses, it is essential to select proper indicators for how they will be awarded, inasmuch as these indicators are the very essence of the goal sought by the monetary incentives to be offered for each job.

"There is a tendency at times to first select the workers who will be eligible for the bonuses and then the indicators under which they are going to be paid. This approach is incorrect because it reverses things. The workers eligible for the bonuses can be selected only after we select what indicators (higher production, better quality, conservation of raw materials, etc) we are going to offer bonuses for. It is only after we make this determination that we can begin to identify which workers or jobs are having an impact on the specific indicator that we want to boost.

In some cases an enterprise also makes the mistake of not properly identifying a worker or job with the indicator for which the incentive is being offered. For example, a worker might be linked with a bonus indicator for boosting output volume when in fact his job involves product quality or raw materials conservation.

In summary, the first step in drafting regulations for bonuses should be a detailed analysis of the production flow and of each work area and a determination of which basic jobs ought to be given incentives, in accordance with the proposed needs.

Rewards and Conditions

"There are standards and other conditions for the bonuses, and an enterprise should combine the two harmoniously in its bonus plan. If we are interested in boosting the output of a given item, to cite just one example, we can establish the bonus standard for that purpose, but at the same time setting another standard for maintaining quality. In other words, in order to obtain the bonus for extra production, quality must not deteriorate."

Everyone Together But Not Jumbled Up

On my previous visits to several enterprises I heard many workers complaining that at times the bonus plans encompassed and linked together so many workers with such different jobs and with such complex overall standards that it was extremely difficult to get a bonus. At the same time, the enterprise could not determine who was responsible for the failure to comply with this or that standard, and thus good and poor work were lumped together. In short, the bonus lost its role as an incentive and a monitoring device.

Our interview had a somewhat unexpected start. We talked about hunting, which my interviewee is fond of, and like a good hunter, Lopez tracked my statement in flight, got it in his sights and fired. His answer struck at the heart of the matter.

"The bonus indicators can be individual or collective, depending on the kind of work involved and the sphere of application.

"It is important to set individual standards in certain processes, and in fact we should push for an extension of such standards inasmuch as they are much more comprehensible to the workers because they can more clearly distinguish and identify the results of their work in a production process, as well as their link with the monetary incentives they receive by meeting the bonus standards.

"At times a collective indicator might not be a suitable incentive for individual effort and it could even cause some people's shortcomings to be covered up by others' efficiency. Therefore, we try to have the bonus systems arranged on an individual basis whenever possible, although there are production processes, such as those using machines, that require collective standards, but this is not the case with manual work."

Bonuses Are Not an Isolated Element

The bonus regulations set forth the economic and technical principles and foundations of this system of monetary incentives. Thus, there cannot and must not be any bonus "poachers," so to speak, but neither should these regulations serve to create a closed system.

The system of material incentives under socialism is not made up of airtight compartments isolated from each other. Quite to the contrary, its effectiveness largely depends on the ability to link one type of incentive with another,

thus achieving greater coherence throughout the system, which has a single aim: economic efficiency in its many manifestations, whether by boosting production, enhancing product quality, encouraging conservation or cutting production costs, etc.

Thus, bonus arrangements cannot be closed, isolated forms of material incentives. Rather, they must be combined with other types of pay rewards. My interviewee discussed this link when he talked to me about combining forms of payment:

"Some people mistakenly assert that the bonus system can be applied only in places where performance-based pay cannot be established. The fact is that bonuses can be offered under any form of payment, whether on a time or a performance basis.

"Furthermore, it is not inconsistent for a worker to receive his pay under a performance-based system and, in addition, to receive an extra incentive in the form of a bonus, which might aim, for example, at enhancing quality or conserving fuel or raw materials."

Our interview has come to an end, but not this extensive and important issue, which we promise to continue informing our readers about as the system is put into practice in various enterprises around the country.

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CSO: 3010/1101

MAJANO DISCUSSES GUERRILLA MOVEMENT, ELECTIONS

San Jose LA REPUBLICA in Spanish 31 Jan 82 p 10

[Interview with Col Adolfo A. Majano, former member of the Ruling Junta of El Salvador, by Jose L. Fuentes: "Majano: I Do Not Identify With Any Brand of Ideology"; place of interview in Costa Rica and date not given]

[Text] Disclosing, in Costa Rica, a plan for appeasement of the two sides that are currently fighting in his country, Col Adolfo A. Majano, former member of the Civilian-Military Junta of El Salvador, said that he is not tied to any ideological persuasion and that he seeks only peace for his country.

Expelled from the Ruling Junta at the beginning of 1980 because of his "conciliatory" position, the military man commented on the Salvadoran government, the Marxist character of the guerrilla action, and the elections, rejecting all of these as approaches to the solution of the conflict.

He asserted that the government is being run by a minority group and that the elections, instead of resolving the "political struggle," will only exacerbate it. He said the guerrilla action is tinged with persuasions and that he is not seeking a candidacy toward any future government.

During his present visit to this country, Colonel Majano has requested a political pact based on a formula proposed by him providing for wide-ranging talks, the bringing into being of a new state of things, respect for the Armed Forces, a cease-fire, and the setting of guidelines for dialogue.

He explains the purpose of his proposal and the acceptance it has had as follows: "In the first place, I am bringing the country's situation into focus and calling attention to several points that must be taken into account to arrive at a solution. I have put forth the idea in my statement of principles of 15 October 1979 and have repeated on several occasions and to different groups that have been interested in knowing my viewpoints on the situation of the country. I propose to bring influence to bear on the fighting sectors to make them see that the situation must be resolved now, because soon it will no longer be possible, and that the government must bring to an end the military response it is offering to the political opposition. Experience gained during my lifetime, and principally

that of the recrudescence of violence over the past 12 years convince me that it is possible to bring about the will to resolve the Salvadoran problem by way of a common-sense approach and not through militarized action on the part of the government, which is presently being manipulated by a small group of individuals."

[Question] But what acceptance has your proposal had?

[Answer] I consider it good. During 1981, while I was residing in the United States, I was sought after to hear my ideas. Since November, I have been discussing them in Mexico; and they have also been taken into consideration by friends with whom I have met here. But mainly, there is an international attitude favoring a solution by way of an understanding in El Salvador, which has become evident in the UN but also at the regional level.

[Question] What is your relationship to Dr Guillermo Ungo, given the similarity of your proposal to the one he made 2 years ago?

[Answer] I have no relationship with Dr Ungo. On the contrary, he chose the road of arms and it was even announced in a conference here in Costa Rica that he was joining the guerrillas. I believe that any person wishing to propose a solution for El Salvador must take into account viewpoints that in the end will eventually merge the two proposals. But, unlike Dr Ungo, I consider it necessary to start by offering assurances in order to get talks under way toward a political solution, and I have maintained that posture since 1979, when I insisted that despite an ongoing confrontation it was necessary to start a dialogue toward reducing the effects of the fighting: Yes, political talks even though this might mean talking while the fighting continued.

[Question] You say the government is being manipulated by a minority group. Does this mean you are against the present Ruling Junta?

[Answer] I am against what that group of individuals is doing, because it is not conforming to the postulates of the declaration of 15 October, the purpose of which was to bring about harmony among all Salvadorans. It is a small group of individuals that is taking it upon itself to decide for all the nation's inhabitants, and this leads, as a result, to disharmony and then to agitation. That approach commits the entire country and the military institution to an unsuitable road. I am against the government because in reality it has not dealt with the situation as it should have, that is, by way of understanding, but rather by pitting acts of force against political positions.

[Question] Why then, being as you are a high-ranking and experienced military officer, do you not join the guerrillas and fight from that position against the government to which you are opposed?

[Answer] Because my attitude is directed toward trying to center attention on the condition of the country and to bring influence to bear on both sides by way of ideas. I am not a member of any organization of any kind. Despite the fact that the government and this small group of individuals is in control of the state, and despite the fact that the Junta has harassed me, I have not taken,

nor do I intend to take, radical positions, because my position is that of dialogue as I have said, even though that attitude, which I assumed when confrontation was imminent and its effects could have been minimized through dialogue, brought harassment upon me from conservatives and the military, to the point of my separation from the Junta.

[Question] Then how to you characterize yourself ideologically?

[Answer] I do not fit into any ideological pattern; I have never wanted to identify with or position myself within any political trend. I seek only to express my own political convictions, to propose plans for dealing with the need for economic change, for a new role for the Armed Forces, and to let each person judge...

[Question] How do you characterize the guerrilla movement in your country? Is it pure Marxist?

[Answer] The guerrilla movement in El Salvador is marked by different tendencies and clearly it includes Marxist-Leninist viewpoints; there can be no doubt about that because the sources themselves have stated it. But it also unquestionably includes political dissenters who have taken up arms. The fact is that the country is engaged in a political struggle that is characterized by dissatisfaction with the government, labor union crises, the lack of economic development, and the fact that the bonds of social coexistence have been untied; and all of this is leading to a state of unrest. This too is being taken into account in my proposal, because one of the points it addresses is that the people are tired of this long fratricidal struggle and sense the nearness of a worse outcome, without anyone doing anything to resolve the problem and avoid further deterioration of the situation.

[Question] Your formula provides for eventual elections to guarantee and strengthen democracy. But at this time, what is your view of the electoral process now under way in El Salvador?

[Answer] In my view, these elections will in no way solve the problem. Elections are part of the solution, but under different conditions. In the way they are being brought about now, they will only exacerbate the situation, for various reasons. First, they are being convoked unilaterally and there is so much violence that the climate is one of distrust among the various sectors. At the same time, there is the lack of confidence in elections on the part of the people, stemming from past electoral fraudulence. And, in general, the necessary political and social foundations are lacking.

[Question] It is reasonable to suppose that, having put forth your plan, you will seek support at the Latin American level. In this regard, have you met with leaders like the former president of Venezuela, Carlos Andres Perez, or with the president of Panama, Aristides Royo?

[Answer] I would talk with them if we could get together; for the moment I have no agenda in this regard. I have an ongoing friendship with Royo, which I started while I was in the government, and we have a certain identity of views of this nature. But I would talk with them on this issue only, as I say, if there can be a subsequent meeting with them. For the moment, there is nothing programmed.

[Question] With your proposal, are you seeking to be a leader and a candidate in near-future presidential elections in El Salvador?

[Answer] So far, I do not have in mind participating in elections. I am trying to do everything possible to bring about a process of free elections, but without presidential ambitions on my part. Nor do I have any candidacy in mind, or any thought as to possible participation in the government.

[Question] What do you think will happen with the guerrilla movement if there are elections that actually guarantee that freedom you desire?

[Answer] That is a hard question to answer; I have no idea what might become of the guerrilla movement. But I maintain the thesis that the Armed Forces must be given a new role; they must be respected, be made apolitical and be transformed into guarantors of the institution itself and of its democratic aspects. I think it must change its conduct and bring itself into the good graces of the people; it must not be at the service of a government, and much less that of a party; rather, it must cooperate in the social development of the country.

But for this, a political pact is needed. We cannot allow so many hundreds of thousands of Salvadorans to continue as refugees in other countries, in addition to the more than 300,000 who are displaced within their own country because they are being persecuted and must then move to other surroundings, many of whom have no connection whatever with the guerrilla movement.

9399

CSO: 3010/862

BRIEFS

DEMONSTRATIONS SUPPORT JUNTA--Guatemala City, 28 Mar (AFP)--It has been learned here that two demonstrations were staged in the cities of Antigua and Quezaltenango in support of the Guatemalan military junta. The organizers estimated that some 5,000 persons participated in each of the demonstrations. They emphasized that in the western city of Quezaltenango, the second most important city in the country, the activity took place with special enthusiasm, with the music of marimbas and eloquent speeches by civilian speakers. Political groups have scheduled a "great demonstration" in support of the junta for tomorrow. It will begin at the Municipal Palace and end in the park in front of the National Palace in this capital. Although it is not considered a group that truly represents the peasant sector, the Guatemalan peasant association has also expressed support for the new rulers. In general, the takeover by the military junta headed by Gen Efraim Rios Montt has been well received by various sectors of the population. However, these sectors are expectantly awaiting the government plan, which has not yet been published. [Text] [PA290416 Paris AFP in Spanish 0125 GMT 29 Mar 82]

AUDIT OF STATE INSTITUTIONS--The military government junta has ordered an audit of all state institutions, at a time when all of the dismissed officials are getting ready to turn over their posts. According to authorized junta spokesmen the objective is to check on the handling of funds and other affairs in all public institutions, and until the audit is finished the dismissed officials will not be allowed to turn their posts over to the new appointee. If the audit shows mismanagement or misuse of funds the dismissed officials will not be allowed to go scot free; they will be sent to the courts instead. [Text] [PA272148 Guatemala City Cadena de Emisoras Unidas in Spanish 0100 GMT 26 Mar 82]

LAND DELIVERY--Luis Felipe Escobar Colindres, president of the National Agrarian Transformation Institute, has reported that 80 percent of the land that the government has delivered was delivered under the collective agrarian inheritance system. Escobar Colindres praised the system, noting that it does not allow plot holders to sell their land to third persons, thus strengthening the community. [PA261820 Guatemala City DIARIO DE CENTRO AMERICA in Spanish 4 Mar 82 p 6]

CSO: 3010/1181

GOVERNMENT TO RECEIVE LOANS FROM VENEZUELA, COLOMBIA

PA242233 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 23 Mar 82

[Text] The telephone calls President Roberto Suazo Cordova made last week to his Venezuelan and Colombian counterparts have had positive results for Honduras.

Finance and Public Credit Minister Corleto disclosed that Honduras will immediately obtain loans for approximately 70 million lempiras to strengthen its balance of payments. Venezuela will lend \$20 million and Colombia \$15 million. These amounts will be channeled through deposits at their respective central banks.

[Begin recording] [Corleto] In the first place, we received a warm welcome from the Venezuelan and Colombian governments. We met with the presidents of the two countries and presented President Suazo Cordova's greetings. At the same time we asked them for aid in our balance of payments. We need this aid because our current reserves level is relatively low and in order for us to keep up with our raw material and basic product imports, we must obtain this aid to our balance of payments.

The specific Venezuelan aid is for \$20 million and Colombia's is for \$15 million. These amounts will be channeled through their respective central banks. They consist of term deposits in favor of the Honduran Central Bank to help it handle the basic product imports that must be cancelled in dollars.

[Question] How will these deposits be paid?

[Answer] Naturally, since this is an aid to our balance of payments, they will be paid from dollars received by the Central Bank from our basic product exports and from a loan currently negotiated with the IMF, which presumably will be ready by July. A group will arrive in April here to study the country's economy. Therefore, the additional funds won't be available to us until July. [End recording]

CSO: 3010/1176

BRIEFS

COFFEE SALES--Tegucigalpa, 11 Mar (ACAN-EFE)--According to the Honduran Coffee Institute, IHCAFE, this year's coffee revenues will amount to about \$162.5 million. According to IHCAFE manager Fernando Montes, this year's harvest was almost unaffected by the coffee rust disease and exports will generate \$22.5 million in revenues for the government. He added that although the disease is quickly invading the plantations and there are few resources to fight it, the coffee growers are trying to live with it. Honduras, he said in conclusion, cannot afford to reduce production because this would affect prices in the international market. [Panama City ACAN in Spanish 1637 GMT 11 Mar 82 PA]

CSO: 3010/1176

'EXCELSIOR' RECOMMENDS LOPEZ PORTILLO PLAN TO U.S.

Mexico City EXCELSIOR in Spanish 11 Mar 82 p 6-A

[Editorial: "Haig Accuses Nicaragua"]

[Text] The plan proposed by Jose Lopez Portillo to improve relations between the United States and Nicaragua has not been turned down, but deferred, so affirms Alexander Haig, until Nicaraguan leaders "cease and desist in their purpose of intervening in neighboring countries."

The position set forth by the U.S. Secretary of State reflects a request in principle; it takes for granted what is hoped to be achieved by the Mexican chief executive's plan; by recognizing the deteriorating relations between Nicaragua and the United States as well as the escalation of violence in El Salvador, the rapprochement recommended by Lopez Portillo constitutes the only practical exist for overcoming the following contradiction: that relations are deteriorating due to lack of communications and that communication does not exist because relations are deteriorated.

The leadership in Washington would do well to understand fully the deep motivations of Central American insurgency; beyond obsessive reference to extremism of the Left the sociological truism should be taken seriously: that no country starts revolution for fun, nor is there a force or argument capable of inciting it when no deteriorating reality exists.

So, it appears that the strategy of the neighboring country to the north is founded on actions involving force tending to avoid any profound change in the status of developing countries; for that mistaken vision, U.S. foreign policy has suffered serious setbacks in the last 5 years or so, including the only military defeat in its history.

JLP's [Jose Lopez Portillo] plan is sensible and timely; to defer it until things change is tantamount to ignoring it. The White House cannot await a gratuitous change of attitude in Nicaragua or El Salvador if profound adjustments to their systems of government are not made beforehand.

9908

CSO: 3010/1116

ALARM EXPRESSED OVER REPORTS OF U.S. OPERATIONS IN CENTRAL AMERICA

Mexico City EXCELSIOR in Spanish 15 Mar 82 p 6-A

[Editorial: "Flow of Arms"]

[Text] Reports from influential newspapers in New York and Washington that President Ronald Reagan approves of CIA clandestine operations against the suppliers of arms to insurgents in Central America and that the U.S. Government has for months been handing over millions of dollars undercover to individuals and to groups in Nicaragua and other countries constitute, aside from an outrage, a very lamentable symptom of insisting on a policy of violence in an attempt to solve large-scale socioeconomic problems in our continent.

In the event the information alluded to is true, we would again fall into the old habit: arms in lieu of economic aid for industrial development, especially those enjoying support now; quelling liberty instead of stimulating it so that it exercise its far-reaching mission of laying down bases for progress for peoples mired in poverty as a result of internal dictatorship and pressure from outside powers.

Talks with Russia are now being considered regarding Latin American affairs in which Russia is thought to be involved. It should have begun somewhere along there. Some time ago Mexico proposed denuclearizing all of Latin America. Would that this idea could be extended to arms of all kinds and thus avoid the flow of instruments of death coming from one or another of the world powers in fratricidal encounters which now look like extermination.

The government in Washington would do well to abandon militarist attitudes in our Continent and to sow seeds of peace and economic development with plans for helping everyone without discrimination nor blockades. Mexico's criterion which is painfully making headway is the voice of reason and harmony.

9908

CSO: 3010/1116

U.S. AMBASSADOR CRITICIZED FOR REMARKS ON DE LA MADRID

Mexico City EXCELSIOR in Spanish 3 Mar 82 pp 7-A, 8-A, 9-A

[Editorial by Jorge Cruickshank Garcia: "John Gavin; Rash Statement"]

[Text] The campaign against Miguel de la Madrid by the Right and the pro-imperialist sectors both within and outside of his party has not stopped; on the contrary, it continues unabated.

Prior to his nomination as the candidate of the Institutional Revolutionary Party there was a tough, clever, well-organized campaign of lies, and gossip which sought to discredit him as the possible standard-bearer of his party. The most absurd questions were raised; they resorted to the low tactic of saying he had obtained a master's degree from Harvard--a statement which was made especially in the United States--all with the object of presenting him as a man of the Right opposed to the principles of the Mexican Revolution.

So much did they persist in this that the Mexican reactionary bourgeoisie tried to win him over and influence his political thinking and decisions after his nomination. When they failed, they started to criticize his positive public pronouncements in order to force him to retreat, something they have not succeeded in doing to date.

What is absurd and surprising about this dirty campaign is that some sectors or groups of the "Left" have echoed the falsehoods and the whispering campaign which the most negative sectors of the PRI stimulated and disseminated for their own base motives. In addition, the imperialists, through their various and powerful organs of political manipulation and their personalities have actively participated in this campaign in order to present a distorted view of the personality of de la Madrid; at the same time they have exerted pressure to influence his decisions.

A few weeks ago, the U.S. magazine, U.S. NEWS AND WORLD REPORT, which has always been an enemy of Mexico, in an article by its correspondent here, presented a tendentious image of national life and described the candidate of the patriotic and democratic forces as "an attorney and economist with a masters degree from Harvard, and it is hoped that his background will

help him untangle the economy. It is also hoped that he will avoid rhetoric about the delicate subject of events in Central America and that he will seek strong ties with Reagan, using his good command of English, in private meetings with the President of the United States.

But the statement made by the U.S. ambassador here, John Gavin, at the School of International Studies in Glendale, Arizona, that "Miguel de la Madrid is an extraordinary individual," but faces problems in trying to placate the Left in his country and "tries to hide the fact that he obtained a masters degree in public administration at Harvard because the Mexican Left has said that the 'gringos have President Lopez Portillo in their pocket,'" is the most astonishing, intolerable, and gross interference in the internal affairs of this country.

"He does not speak English in public," Gavin said, referring to De la Madrid, and he continued, "I hope he won't feel it necessary to satisfy the political objectives of the Left."

We ask, who is John Gavin that he should try to indicate what decisions and courses our men in public life should take? Does this gringo think he is something like the proconsul of the empire? Is Gavin following the path of ambassadors like Lane Wilson, Morrow, Freemann, and John Jova in trying to meddle in our domestic political issues?

Mexicans, all Mexicans who are not subservient to the empire, repudiate this gross interference by the Yankee ambassador in matters that belong only to the inhabitants of this republic. We do not accept either guidance or recommendations on how to manage our politics. We alone will manage our destiny and no one else. The struggles of our people and our most illustrious forebears have taught us this and we have learned it. And let this persona non grata who interferes in our affairs not forget: the language is Spanish; we do not have to communicate with our fellow countrymen in a foreign language. What bothers him is that Miguel de la Madrid speaks in his own language about what he is clearly and forcefully: a revolutionary nationalist, an anti-imperialist, a Mexican who insists in maintaining and intensifying the independent course of his nation, guided by the progressive principles of the Mexican revolution.

What this representative of the American far Right does not want de la Madrid to say is the same thing he has said about international and domestic problems throughout his campaign--not because he is obliged to but because of conviction and political experience: pledging himself to a pact with the people and forces that lead it and proposing such policies as "Mexico is committed to world peace," which is the prerequisite for all fruitful and positive international relations. The present state of international tension concerns us very much. We desire to make every effort to help dispel it. We proclaim the necessity for the international community to continue striving in the field of disarmament."

Now does Mr Gavin want Mr de la Madrid to reiterate that "we are linked with the nations of Central America and the Caribbean not only by ties of blood, history, and culture, which of course are of the most intimate and enduring, but also by the desire to attain better standards of living and well-being for our peoples. Our destiny as a sovereign and independent nation is indissolubly linked with events throughout the Central American and Caribbean region."

Now does he like to see Mr de la Madrid insist that "the role of the state as mentor, guide, and promotor of development is institutionalized; individualistic enterprise has been relegated to history."

And when he described his thinking on farm issues, he stated: "Let us have neither large landowners, whom the people and the revolution have combatted, nor minimum acreage that cannot provide adequate production and a sufficient and basic level of subsistence. We must definitely put an end to idleness in agriculture. Productivity must not be a new form of exploitation that only benefits those who own the means of production."

And when he defends the course being taken by our educational system, saying that "we have a positive philosophy; we have an educational system that has been able to transmit and enrich the philosophy of the people of Mexico. That philosophy is what consecrates the revolutionary principle of the Constitution. We have the marvelous synthesis of Article 3 of the Constitution, the basic charter not only in education but for Mexican democracy, which establishes an education aimed at strengthening nationalism, strengthening the feelings of universal solidarity of the people of Mexico."

Mr Gavin is inconvenienced when Mr de la Madrid condemns corruption in these words: "Corruption, besides being a crime and contrary to the interests of the people, is a source of discouragement and an obstacle to the consolidation of revolutionary morals, which we are pledged to practice and enforce. Corruption, more than any other aspect of domestic life, should not be tolerated and should be combatted at its roots in the Mexican countryside." He continued, "We must not only deprecate but energetically punish those who divert public funds meant for Mexican rural areas."

And when he describes his position toward privilege in these words, "We must combat all forms of privilege and illegitimate concentrations of power; we must combat all forms of exploitation of man by man; we must convince the upper classes of the country that waste, ostentation, corruption, and extravagant consumption are no longer possible." He declared: "And if we do not convince them, we will apply the laws and other instruments that the constitution provides," promising that, "You can be sure that if I become President with the majority of the votes of Mexicans, I will not tolerate privilege in the government."

And when he declared: "We will not permit fissures in the Mexican nation which could attract foreign intervention, and national and patriotic sentiment will be the banner of this campaign of the revolution."

Mr Gavin was alarmed when Mr de la Madrid stated: "The revolution proclaims the necessity of accelerating and broadening the process of transformation that will restrain opulence and put an end to indigence. Only by serving the people and the nation and the neediest classes can the revolution be carried out."

And because he recognized the validity of the political parties, explaining: "Politics in Mexico must be carried on through the political parties and not through private pressure groups that also try to manipulate the overall policies of the country in an attitude reminiscent of corporate fascist regimes."

And because Mr de la Madrid has insisted in supporting our nationalism, explaining that: "the way to defend our nationalism now is with organized and patriotic labor; by defending the right of the people of Mexico to self-government without interference from abroad; by defending economic nationalism which affirms the irrefutable right of Mexicans to be the masters, the owners, and the principal administrators of our national resources."

And also because he has repeatedly asserted: "I believe in the basic doctrine of the Mexican Revolution, and I consider that national independence is the value held in highest esteem by Mexicans."

The pressures on our country, against its political leaders, and principally against the candidate who it is believed will become chief executive will continue. But the response to these pressures is the steadfastness of the patriots, the revolutionaries, and the anti-imperialists, without our concealing from them the problems we face, because what Mr de la Madrid has said is true: "This people is not a cowardly and frightened nation. It is a nation forged in struggle, in pain, in misfortune, and it is not necessary to hide from that nation the problems and challenges it faces."

9015

CSO: 3010/1026

CENTRAL AMERICANS OVERWHELM HEALTH SERVICES

Mexico City EL SOL DE MEXICO in Spanish 15 Feb 82 p 15-A

[Text] Tapachula, Chiapas, 14 Feb (OEM)--Following the statement by the Secretariat of Health that it was unable to meet the demand for medical services because of the excessive growth in the need for such services, caused principally by the presence of 61,000 illegal Guatemalan aliens, the Center for Malaria Research revealed here that the disease has spread due to the influx of these Central American immigrants.

Dr Alberto Perez Gordillo, SSA spokesman, said there was a deficiency of approximately 30 percent in medical personnel lately because of the unexpected arrival of Guatemalans and Salvadorans, Costa Ricans and even Panamanians; he said the presence of new and numerous outbreaks of tuberculosis, dengue fever, parasitic diseases, and malaria was very significant.

"The SSA at present does not have the human and material resources in this area to handle the increased demand caused by the alarming numbers of migrants that has arrived here," he stated.

Dr Jorge Mendez, director of the Malaria Research Center, reported that actually malaria had reappeared in greater strength recently and he pointed out that this was because the Central Americans cross our border without being subjected to medical examination.

He stated that like the coffee plant rust the months from April to November are the most favorable for the propagation of the anopheles mosquito, which transmits malaria, because of the rains that fall in this area.

Indicating that studies conducted last year in the Socumusco area helped diminish the incidence of infection from malaria in the affected population, the researcher stated that the first priority was to prevent the spread of the disease, get rid of the mosquitoes, and treat the people suffering from the disease.

The results of research will be employed to this end and of course at the lowest cost possible. Safe doses of antidotes will be given to those who have contracted malaria and a special insecticide will be applied to stagnant water in the area for the purpose of killing the larvae of the vector. The

employment of these two measures simultaneously will prevent new outbreaks of malaria and avoid an epidemic, Dr Mendez stressed.

The physician reiterated that outbreaks of malaria stem from the free movement of the migrant population, which travels about without a definite destination to work in the fields; these groups come principally from Central America.

"Three conditions are needed for the propagation of malaria: infected people-anopheles mosquito-healthy people. To prevent the proliferation of this disease, only two things are necessary: treatment of the sick and elimination of the mosquito as much as possible," he explained.

9015

CSO: 3010/942

VICES OF UNDOCUMENTED CENTRAL AMERICA DESCRIBED

Mexico City EL SOL DE MEXICO in Spanish 16 Feb 82 p 2-A

[Article by Alejandro Moyeda]

[Text] Tapachula, Chis. 15 Feb--The never ending flow of undocumented Central Americans to our country has increased alarmingly recently because of warfare in that area which will bring on serious and irreparable social harm in Mexico.

Eighty percent of the undocumented persons who come to our land are men who engage in armed assaults and women in prostitution.

Throughout this zone and along the coast, including Tuxtla Gutierrez, the capital of Chiapas, the presence of young girls and women who sell their caresses and rent their bodies to the highest bidder is impressive. It is very unusual to find a Mexican woman in the same endeavor in the red light district, on the corners, in the nightclubs and the coastal brothels.

A tour of the town by EL SOL DE MEXICO and statements by the municipal president. Alfredo Cerdio Sanchez, the chairman of the Chamber of Commerce, Luis Pedrero Pastrans, and the ladies with "gilded heels" themselves permitted EL SOL DE MEXICO to make known the above and, what is more, the way in which they promote their "work."

Settled in wretched and small little rooms bunched together--similar to those in the vicinity--and sitting on dingy mattresses, dressed only in panties and slips--and these very rarely--Central American women have only to let their naked bodies be seen in order to ensnare some desperate fellow from the hundreds who file by, door after door, night after night. Not a few of them ply their trade in the morning and the afternoon, too.

Prices vary. A moment of pleasure with them can be had for 150 pesos. In places like "Veracruz" the price goes up to 1,000 pesos. But, if he likes to squander money at the Mexican entrance towards Tapachula there is the den, "Las Cabanas," where women of like persuasion ask upwards of 1,000 pesos, "not a penny less, so long as they are goodlooking."

Even though municipal president Cerdio Sanchez sharply denied that minors are involved in prostitution, EL SOL DE MEXICO was able to verify the presence of 14 and 15 year old girls in the red light district and in Puerto Madero. As a rule, the minors are Guatemalans and, though you may not believe it, they are the most sought after by the night paraders.

Although migration authorities carry out continual roundups in these places in order to deport undocumented women, soon after such actions, twice as many women return to places of this kind.

Wisely, women selling their caresses have moved towards the coastal areas where, perhaps, because of the climate they are more used to being sought after. Nevertheless, in recent days, about 60 women have been held in a house known as "Betty" in Tuxtla Gutierrez and deported. Among them were Guatemalans, Salvadorans, Hondurans, and one or two Panamanians.

The remarkable increase in prostitution in these localities is known to everyone. Many of the inhabitants in these places, men as a rule, night after night gather where the women with the "gilded heels" make dates solely "to be with him."

It should be noted that were it not for constant migratory activity in these localities, the number of Central American women and, consequently, prostitution would decrease noticeably.

But one would have to face up to various life styles that these women have made for themselves in order to earn money easily. One being, they get permits as tourists and they come in and live in middle-class hotels. During the day and afternoon they engage in activities proper for the ordinary, everyday lady and at night they ply their trade. Obviously, they are the ones who lease their bodies for higher prices.

Another method they use, and in which the Ministry of Government will have to exercise care, is getting married to Mexicans, entering into a short-term contract which is very profitable for the purpose of gaining citizenship. Months later they are divorced in other states around the nation, but now they are Mexican citizens. The cost of this classification status is not more than 15,000 pesos, an amount easily saved up thanks to the "cooperation" of chance lovers.

In localities where prostitution is practiced, the family home is located nearby from which boys begin at an early age to hasten their interests in alcohol, music, and women. Unfortunately, that is the case in the red light district.

Meanwhile, so as not to remain behind, Central American men, thrust unexpectedly into this milieu, have carried out a wave of robberies and armed assaults on banks, businesses, gas stations and even against private vehicle drivers. The Chamber of Commerce has already denounced these acts before the Ministry of the Government without receiving any reply whatsoever to date.

Luis Pedrero Pastrana, the business leader, said meanwhile that it is evident there is no control here over the outlaws.

After pointing out that this wave of violence is also present in Puerto Madero and along the entire coast of Chiapas, he maintained that lacking a deterrent, the wave of robberies will increase for which authorities have to act now unless this matter be placed under the Weapons Law.

Lastly, the businessman asked that crossing the border be more strictly controlled, although he later accepted the fact that this would be impossible given the long border shared by Mexico and Guatemala.

9908

CSO: 3010/1025

EXISTENCE OF PARAMILITARY POLICE CHARGED

Mexico City EXCELSIOR in Spanish 5 Feb 82 p 19-A

[Text] In Mexico there are two kinds of police. One is the official police which operates in the open; but, there is another one that is clandestine, paramilitary, that uses torture, abduction, and even assassination in its activities, members of the National Democratic Lawyers Front (FNAD) said yesterday and who also announced the second national assembly of FNAD which takes place, starting today, in the city of Puebla.

They said that even though the denunciation has no effect in curbing repressive acts by the state--in Mexico there are more than 400 people missing. At the meeting, a denunciation will be made among others, of the repression of independent workers, some of whom are prisoners, like Bernardo Olvera, falsely accused of crimes solely because he did not want to be a member of CTM (Confederation of Mexican Workers).

Members of the front over which Medaro Banuelos Lagunes and Lamberto Garcia Zapata preside met and at the meeting five work tables will be set at which human rights and international solidarity, struggles for freedom in Central America, problems in the teaching of law in Mexico, among other topics and their variants, will be taken up.

Discussion will also include the state, repression in Mexico, labor, agrarian and urban judicial problems in Mexico, and lawyers organizations will be discussed. Attendance by 200 delegates from all over the Republic, representatives of the American Association of Jurists, the Association of Democratic Jurists, the Mexican-American (Chicanos) Lawyers Association, and other organizations are expected.

As for police organizations, the front members explained that the issue brings as a consequence cessation of pensions for policemen who become delinquents and who, furthermore, work with impunity.

At the meeting beginning today delegates from Amnesty International and from the Commission on Human Rights will also be in attendance, they said.

9908

CSO: 3010/1025

BRIEFS

HEALTH AGREEMENT WITH HUNGARY--Mario Calles, secretary of health and assistance, and the minister of health of the Peoples Republic of Hungary, Emil Schultheisz, yesterday signed an agreement for cooperation in health matters. The agreement provides for increased cooperation in the field of health, social welfare, and medical science, as well as medical attention for nationals visiting Mexico or Hungary. The period of the aid agreement between the two nations is for 5 years, with automatic annual extensions of 1 year each thereafter. The Secretariat of Health and Assistance said that the two countries will organize joint speeches, symposiums, seminars, congresses, and various meetings to provide a constant exchange of information, topics, and theses of interest to the two nations as a means of implementing all the development, cooperation, and collaboration plans in the different branches of medicine. After signing the Mexican-Hungarian cooperative agreement, the minister of health of that country and the SSA secretary visited the Mines of Christ health center in the Alvaro Obregon district and the San Bartolo Ameyalco health center in the Magdalena Contreras district. [Text] [Mexico City EL DIA in Spanish 17 Feb 82 p 7] 9015

NAVAL AGREEMENT WITH SPAIN--Mexico and Spain have signed an agreement for a comprehensive program for the development of human resources at all levels in the field of naval construction. This agreement was signed by the general director for relations of the Secretariat of Public Education, Manuel Madrazo, and by the president of the Ibero-American Institute for Cooperation of the Spanish Foreign Ministry, Manuel Prado y Colon de Carbajal, in the presence of the SEP secretary himself, Fernando Solana and the Spanish foreign minister, Jose Perez Llorca. The objectives of the agreement are to provide training for skilled workers and professionals in naval construction to enable them to absorb, over the short and medium terms, the technology being acquired by the Mexican naval construction industry. Included in the agreement are visits by Spanish experts and the granting of scholarships to Mexican nationals to undertake advanced studies and related development; the latter will cooperate in designing study courses for skilled workers and professionals in their individual specialties. At the same time Solana informed the Spanish foreign minister of plans for the Interministerial Commission for the Defense of the Spanish Language, and he stated that Mexico and Spain must have very similar points of view and interests for the preservation of their language in the face of constant threats from abroad. [Text] [Mexico City EL DIA in Spanish 17 Feb 82 p 7] 9015

SOCIAL SECURITY COVERAGE TARGET--Tres Valles, Mexico, 14 Feb--The general director of the IMSS [Mexican Social Security Institute], Arsenio Farell, said yesterday that the growth of social security in the last 10 years is comparable to that of the 30 previous years thanks to growing reserves which have permitted the development of investment programs without precedent. "This will continue up to the last day of the administration of President Lopez Portillo with the object of having the institution serve 50 million Mexicans, that is, some 5 million more than at present," he said. [Excerpt] [Mexico City EXCELSIOR in Spanish 15 Feb 82 p 29-A] 9015

CSO: 3010/942

BRIEFS

EARLY PARLIAMENTARY ELECTIONS--Willemstad 13 Mar--On 25 June accelerated elections will be held in the Dutch Antilles for the states which form the parliament of the six islands in the Caribbean territory. The government in Willemstad made this decision yesterday. In the first half of January this year the second Martina cabinet collapsed. Governor Leito appointed as informateurs the outgoing minister of labor, transportation and communication, the MAN [New Antilles Movement] politician Jules Eisdien and parliamentary chairman Pedro Bislip. In the absence of Betico Croes (like Bislip a member of the MEP [People's Electoral Movement]) there seemed to be possibilities for a coalition between MAN and MEP. It seemed that the points of conflict between the two parties which earlier led to the collapse of the first Martina government could be set aside. However, Betico Croes had only just returned to the Antilles (from the Netherlands) when he, the MEP leader, made it known that he had different priorities from those his informateurs had in mind. In his opinion the points of conflict between the MAN and the MEP had to be at the top of the list of issues to be dealt with. Therefore it was senseless for Eisdien and Bislip to continue their work, although particularly in Curaçao and the three windward islands new elections were not considered to be the means to get out of the problems. A last attempt by Governor Leito to bring the parties together failed. (ANP [General Netherlands Press Agency]. [Text] [Rotterdam NRC HANDELSBLAD in Dutch 13 Mar 82 p 2] 8700

069: 3105/130

BORGE: 'WE ARE TURNING NICARAGUA INTO A FORTRESS'

PA280446 Paris AFP in Spanish 0213 GMT 28 Mar 82

[Text] Managua, 27 Mar (AFP)--Interior Minister Tomas Borge said this afternoon that Nicaragua "is willing to participate in any negotiation. Basically we want peace, but we are prepared for war."

At a ceremony held at the end of a "march for peace" which came down Bolivar Avenue, the capital's main street, to Revolution Plaza, Borge (?referred) mainly to the threats of a military invasion that Nicaragua has denounced reiterated in the past few weeks to forestall an actual aggression.

Borge defended the country's right to organize an army and to obtain the weapons it needs to defend its sovereignty.

Borge emphasized: "We do not want war, but we are arming and preparing ourselves for war. We are turning Nicaragua into a fortress. We are giving military training to the entire people and are organizing many, many battalions of reservists, precisely because we want to avoid war."

"If we were to disarm ourselves as our enemies have been asking us to, we would be the worst enemies of peace in Central America," he added.

Borge said that the Sandinist Army is not using its machineguns to repress popular demonstrations, nor its planes to bomb cities. He stressed that "if it were not for foreign threats, we would have no need to arm ourselves."

The interior minister said: "What we have is voluntary vigilance, both day and night. There is a watch on every inch of our country 24 hours a day."

Minister Borge said that Nicaragua will continue promoting the recent peace proposals to solve the Central American crisis.

"We are willing to participate in any negotiation in favor of peace, but we are getting ready for war so as to defend peace," Borge reiterated.

Doris Tijerino, president of the Nicaraguan Peace Committee, also spoke at the ceremony. She said that the governments of the United States and the Central American countries "should take time out for reflection, because if

we add a U.S. military intervention to the difficult situation we are experiencing, the future of the region [words indistinct] more dramatic."

Tijerino underlined: "We continue to issue a warning regarding the danger involved in a war against Nicaragua and El Salvador, because it would have unforeseeable consequences. No one knows how far it would lead."

"The history of Central America shows us that when a war occurs in one country of the region, the conflict spreads to the entire regions," she added.

For her part Frida Brown, who participated in a continental women's meeting that ended here yesterday, said that "the majority of the world's peoples support Nicaragua in its struggle against military intervention." Brown participated in the conference as [words indistinct] of the Women's International Democratic Federation.

Frida Brown added: "We are going to demand from Reagan and his administration a positive U.S. reply to Nicaragua's [words indistinct]. If they do not comply, then the peoples of the world will brand them as aggressors and war criminals."

CSO: 3010/1180

EDITORIAL BERATES COORDINATING BOARD MANIFESTO

PA271313 Managua Domestic Service in Spanish 1200 GMT 25 Mar 82

[Station editorial: Coordinating Board Turns Back on Fatherland]

[Text] The patriotic hope with which the Ramiro Sacasa coordinating board sees concurrence in the different peace proposals for Central America made by President Lopez Portillo, the FSLN and Alexander Haig bases a great deal of hope on Haig and very little or no patriotism on the proposals made by Mexico and Nicaragua. This is the impression received by anyone who reads the manifesto of the rightist coordinating board, signed by Alfonso Robelo and Jose Davila and issued on 23 March. The false interpretation of the Central American political situation is merely a continuation of the false Yankee effort to attribute the origin of the conflicts to the presumed Nicaraguan military support of the Salvadoran revolution. The Ramiro Sacasa coordinating board simply takes the main argument with which imperialism justifies its aggression against our country, one again assuming an unpatriotic position, naturally.

The need for nonaggression pacts between Nicaragua and its neighbors and between Nicaragua and the United States and the urgent need for the resumption of effective cooperation between Nicaragua and the United States are cited by the Ramiro Sacasa coordinating board as necessarily based on Haig's condition, that the training of or support for military groups that wage war against governments in the Central American area be terminated. This could be anything but naïve. Perhaps it is a poorly executed magic trick, because it clearly demonstrates the intention of saving imperialism from its exclusive responsibility for the wars against the peoples of the Central American area, engendered by its dispatch of arms to and its political and economic aid for well-known unpopular regimes.

However, in accordance with the Yankee interests and designs reflecting the counterrevolutionary policy in Central America, the Ramiro Sacasa coordinating board accuses our country of the responsibility for the crises suffered by the country's dictatorships.

There is something else: along with its offensive comparison of our country's revolutionary government with the reactionary and genocidal regimes of El Salvador and Guatemala, in proposing talks between the three countries' governments and the opposition forces to seek peace and democratic stability in part

country, the Ramiro Sacasa coordinating board document demonstrates servile obedience to the Yankee and Honduran initiatives seeking to have the OAS serve as a godmother to the Central American countries' sovereignty. This naturally implies that the OAS should solve regional conflicts. This submissive Robelo-type attitude toward U.S. policy is not very altruistic, and is certainly not spontaneous. Disregarding every major difference between the problems of Nicaragua and those of the other countries, the Ramiro Sacasa coordinating board proposes that, just as in El Salvador and Guatemala, the opposition forces here should agree to stop trying to overthrow their genocidal regime, to guarantee peace and democratic stability in Nicaragua; and the revolutionary government should grant some power to the opposition forces, represented by the coordinating committee, to restructure the executive branch and to revise the revolution's legislation. This idyllic return to the past would be just around the corner, should the coordinating committee be privileged, within its quota of power, with the reorganization of the armed forces. And this desirable perspective would be even more beautiful if the OAS were summoned to assure compliance with these efforts.

It is a shame that this impressive scenario presented by the Ramiro Sacasa coordinating board does not respond to the truth of Nicaragua, as so many of the gentlemen of the opposition wished; but this is understandable, because, having been inspired by the United States, its languages is not understood and the simple things we poor natives know so well are given no consideration. These include:

1. The fact that the opposition forces of Guatemala and El Salvador, two peoples who are up in arms against their pro-imperialist oligarchic dictatorships, do not resemble those of Nicaragua;
2. The related fact that the Nicaraguan Government is the instituted power today of yesterday's people in arms; and
3. The fact that the main contradiction here is between the fatherland and imperialism.

Therefore, having disregarded these little details, the melodramatic program presented by the Ramiro Sacasa coordinating board cannot be adapted to our reality; presumably, they will have to go elsewhere to try it. Perhaps, Donald Lacayo Nunez, coauthor of a suspiciously similar program, can find some solution.

CSO: 3010/1180

CHAVEZ MENA ACCUSED OF USING U.S.

PA280115 Managua Domestic Service in Spanish 1200 GMT 26 Mar 82

[Text] After meeting with U.S. President Ronald Reagan and Secretary of State Alexander Haig, the countries which make up the so-called Central American democratic community--joining the position of Washington regarding the situation in the area--announced that they are preparing a peace plan.

In announcing this plan, Salvadoran Foreign Minister Fidel Chavez Mena directly referred to Nicaragua, noting that the Nicaraguan charges regarding an aggression are illusory and accusing the Nicaraguan Government of trying to foment destabilization in the area. He announced that El Salvador, Honduras and Costa Rica will seek the support of other countries to boost their plan, adding that the Salvadoran regime will appeal to the OAS regarding the alleged Nicaraguan support for the Salvadoran revolutionary forces.

Chevez Mena, who said that the three Central American countries are interested in peace, gave no importance to the proposal that Commander Daniel Ortega Saavedra presented at the UN Security Council yesterday and referred to President Jose Lopez Portillo's call in this way: We have no hope for that proposal.

In this way, while the State Department rhetoric concerning the Central American situation is being repeated over and over, in practice, the serious and responsible calls for peace in the region are being discarded.

CSO: 3010/1180

CONFESSIONS OF HONDURAN FUGITIVE TERMED 'SLANDER'

PA240705 Managua Domestic Service in Spanish 0000 GMT 23 Mar 82

[Station commentary]

[Text] After being made ridiculous by Nicaraguan student Orlando Jose Tardencilla, who unmasked their lies to the international press, the Reagan administration has decided to stage a new propaganda maneuver: a deserter from the counterrevolutionary bands in Honduras who sought protection at the Nicaraguan Embassy in Tegucigalpa because he was overwhelmed by the crimes of the former Somozist guardsmen, is the new instrument being used to fabricate justifications for aggression against Nicaragua.

The Nicaraguan diplomatic mission received Nicaraguan Noel Ernesto de Jesus Vasquez Gutierrez last week, when he asked for protection because his desertion from the counterrevolutionary bands had made him a fugitive from the Honduran police and the mercenaries based in Honduras.

Nicaraguan Ambassador Guillermo Suarez Rivas notified the Honduran Foreign Ministry of Vasquez Gutierrez' application for refuge and announced his planned transfer to Managua. However, Vasquez Gutierrez was captured at Toncontin airport, in open violation of international agreements, as he prepared to board the plane for Nicaragua. After several days in prison, the counterrevolutionary deserter has appeared on a television program, to testify from an unidentified location about a supposed Sandinist espionage network in Honduras. As usual in all press maneuvers prepared in Washington, Vasquez Gutierrez claimed training in Cuba and having received instructions to infiltrate the counterrevolutionary groups.

Their experience with Orlando Tardencilla earned them the general ridicule of the international press and discredited them before international public opinion. They are now launching a new slander, with the same awkwardness that caused them to fail before but with the same objective of justifying--through any available means--their desperate aggressive actions against our revolution.

CSO: 3010/1180

UN REPRESENTATIVE VIEWS SECURITY COUNCIL SESSION

PA241043 Managua Domestic Service in Spanish 0600 GMT 24 Mar 82

[Interview with Javier Chamorro Mora, Nicaragua's permanent representative to the United Nations by Carlos Jose Guadamuz, at the UN headquarters in New York City on 23 March 82--recorded]

[Text] [Chamorro Mora] In effect, at an informal meeting held at 1530 today the Security Council decided to meet formally at 1030 on Thursday, in response to the urgent request made by Commander Daniel Ortega on behalf of the Nicaraguan Government. At this meeting Commander Daniel Ortega, representing the revolutionary government, will inform the Security Council of the aggression being carried out against Nicaragua and of the gravity of the Central American situation.

[Question] Companero Chamorro Mora, what importance does Commander Ortega's speech to the Security Council have for Nicaragua?

[Answer] Well, as we all know, the Security Council is the UN body tasked with ensuring international peace and security. In other words, it is the top UN organization and is therefore the appropriate forum for Nicaragua--which is being attacked and threatened and is the victim of increasing efforts to destabilize it--to make an exposition to inform the international community, the nations of the world, of the gravity of the existing situation and the overt and covert operations that the CIA and the Reagan administration are carrying out against Nicaragua.

[Question] Companero Javier Chamorro, after Commander Ortega has made his exposition, do you think the Security Council will reach a conclusion or adopt a resolution regarding Nicaragua's charges?

[Answer] Well, in the first place, after Commander Ortega has made his exposition, it is hoped that a very broad debate will take place. That is to say, Nicaragua would like the largest possible number of friendly countries to participate in the Security Council debate, so that they can express their concern over the critical situation in the region and over the threats of the use of force against Nicaragua.

Therefore, we are hoping that there will be massive participation by the nonaligned countries; by Latin American and European countries, and so forth. We believe that some 40 countries will participate in the debate.

[Question] One last question, Companero Chamorro. What is the atmosphere in New York City right now regarding the Nicaraguan problem? What is the attitude of the U.S. media regarding Reagan's policy?

[Answer] I believe that there is a positive atmosphere, not only toward our decision to take our case before the Security Council--which, as I said before, is the appropriate forum for Nicaragua to present its problem and for it to reiterate its determination to obtain truly serious political solutions to the Central American problems, because the principles established in the UN Charter are above and beyond those of any regional forum.

In this sense there is a very receptive atmosphere not only among the other UN delegations but also in New York City's political circles and in the media. At the same time, it is increasingly more noticeable that the current U.S. Administration is growing more isolated from the U.S. public, media and Congress because of its mistaken policy in the Central American areas and because of the threats it is wielding against Nicaragua. The U.S. media in particular have come to realize that the United States is trying at any cost to present evidence to involve Nicaragua in the Salvadoran problem, and to make Nicaragua look like a destabilizing factor in the area and like a country that is aggressive toward the other countries in the area. However, it has already fully been proven that what the United States is really trying to do is to justify its own policy in the Central American area.

CSO: 3010/1180

BRIEFS

LAND DELIVERY--San Albino was the site of the fifth delivery of agrarian reform titles. Commanders of the revolution Tomas Borge and Jaime Wheelock Roman, interior minister and agricultural development and agrarian reform minister; Guillermo Garcia, commander of the Cuban revolution and veterans of the army which Gen Augusto Cesar Sandino headed attended this important ceremony. After announcing the delivery of 7,000 Manzanas to 400 peasant families in Nueva Segovia, Esteli and Madriz, Wheelock Roman officially announced that some 20,000 additional Manzanas had been affected by the agrarian reform in the northern region. [Managua EL NUEVO DIARIO in Spanish 1 Mar 82 pp 1, 12 PA]

FINNISH AID--Mauri Eggert, director of the Department of Cooperation for Development of the Finnish Foreign Ministry, has said that after meeting with representatives of various state organizations, the sectors with the highest priority have been defined so that an increase in the Finnish cooperation with Nicaragua can be discussed. He said that he discussed the opening of credits and possible cooperation in developing the dairy industry. The main emphasis, however, was placed on the health sector, he added. Although it is too early to speak of an agreement for this sector, Finland could help with laboratories and hospital equipment. Regarding this, Eggert said that his country has already supplied a credit for 10 million Finnish marks, approximately \$2.5 million. Cooperation in the forest, mining and farming areas was also discussed. [Managua EL NUEVO DIARIO in Spanish 30 Jan 82 p 6 PA]

GEOHERMAL PROJECTS--The Government of National Reconstruction is promoting three [as heard] geothermal projects: the Momotombo, which consists of two phases, and the Granada-Masaya-Nandaime. It is expected that the Momotombo will begin operating in full capacity early in 1983. [Managua Domestic Service in Spanish 1200 GMT 17 Mar 82 PA]

INVESTMENT PROGRAM--Industry Minister Emilio Baltodano recently said that 410 million cordobas will be invested in 1982 in the program to integrate the industrial and manufacturing sector with the agricultural sector. One of the main objectives of this ministry is to guarantee the production of basic goods in order to free the national industry from importing supplies. For this reason, the Industry Ministry has geared its programs to the creation, consolidation and reactivation of industries that produce supplies and intermediate goods, such as farming supplies, spare parts, machinery and other products. [Managua Domestic Service in Spanish 1200 GMT 17 Mar 82 PA]

GDR DONATION FOR MISKITO INDIANS--As a gesture indicative of the friendly ties between the GDR and Nicaraguan peoples, GDR Ambassador to Nicaragua Gerald Mockle today delivered a valuable donation to the Nicaraguan Institute of the Atlantic Coast [INICA] for the Miskitos in (Das Papri), northern Zelaya. Companeros (Julio Sanchez) and (Rafael Diaz), director and deputy director of INICA, were present at this act of solidarity between peoples. In his speech the GDR ambassador, who recently visited the (Gumovila) and (Itacha) settlements, said that the Sandinist Revolutionary Government and the FSLN are making great efforts to improve the living conditions of the Miskitos brothers who also need international help. [Text] [PA232233 Managua Domestic Service in Spanish 1800 GMT 23 Mar 82]

'LA PRENSA' PUBLICATION--The Directorate of Communications Media hereby notifies the people that today, 24 March 1982--referring to yesterday--at 1245 the newspaper LA PRENSA delivered its material to us for prior review, as established by the state of emergency. After it was reviewed, the material was returned to newspaper codirector Joaquin Chamorro Barrios and to Rafael Bonilla. On the same day Pedro Joaquin Chamorro Barrios notified us that the newspaper would not be published. This directorate wishes to explain that the 24 March issue contained reports and positions which violated the state of emergency and played into the hands of the unpatriotic Nicaraguan right--unlike the 3 previous days, when the LA PRENSA management had been careful not to include points of conflict or provocation. We make this explanation to establish responsibilities and to prevent eventual speculation or prefabricated campaigns, which in fact seem to be appearing. The policy of truth is the policy of the revolution. Issued in Managua at 2100 on 24 March 1982. [Signed] Melba Cecilia Blandon, director of communications media.] [Text] [PA262200 Managua Domestic Service in Spanish 1200 GMT 25 Mar 82]

PACT ON U.S. BASES--Managua, 25 Mar (ACAN-EFE)--Rafael Cordova Rivas, conservative member of the junta of the Government of Nicaragua, has sent a letter to Honduran President Suazo Cordova, asking him not to sign a treaty with the United States for setting up military bases in Honduras. The letter, made public today in Managua, says that the Honduran Government "is ready to sign a treaty for setting up U.S. military bases in its territory." In the letter sent on 15 March 1982, Cordova Rivas expresses "trust that under no circumstances will he (Suazo Cordova) sign any treaty for the establishment of U.S. military bases which could mean a decrease in his country's sovereignty." Cordova Rivas adds that "history shows us that actions of this type tarnish the names of those who have so committed themselves." "Maybe your excellency will be surprised at this letter, but my Honduran ancestry, represented by my father, the late Gustavo Cordova Serra, compels me, through the blood that runs in my veins, to make this request," Cordova Rivas adds. The Nicaraguan leader finally asks God, the Honduran people and his relatives to illuminate President Suazo Cordova, "so that his frank and noble hand may not stamp his signature on that which may be an affront to his fatherland and a blemish on his name." [Text] [PA270049 Panama City ACAN in Spanish 0107 GMT 26 Mar 82]

CZECH SOLIDARITY EXPRESSED--The Nicaraguan Foreign Ministry today reported that Czechoslovakia has reiterated its unconditional support for the Sandinist revolution that is threatened with military attacks from warmongering sectors of the Reagan administration. A bulletin of the Foreign Ministry reports that the Czechoslovak Foreign Ministry has announced its country's solidarity with Nicaragua. This support was expressed to Companero Aquiles Centeno Perez, Nicaraguan ambassador in that socialist country. The Czechoslovak Government also supports Nicaragua's request for an emergency session of the UN Security Council to analyze the imminent invasion of Nicaragua that mercenary troops with the help of the United States are preparing. The bulletin adds that the Czechoslovak solidarity with the Sandinist revolution is also expressed by the establishment of a committee of support for Nicaragua made up of the mass organizations of the socialist country. As part of its activities, the committee began its solidarity actions yesterday with lectures, meetings and rallies to publicize to the Czechoslovak people the aggressions that the Reagan administration is implementing against Nicaragua. [Text] [PA240353 Managua Domestic Service in Spanish 0000 GMT 24 Mar 82]

CSO: 3010/1179

COLUMNIST OPPOSES TAMBS FOR U.S. ENVOY

PA290923 Panama City MATUTINO in Spanish 26 Mar 82 p 4A

[From the column "Summary" by Victor M. Franceschi]

[Excerpts] It is a lack of respect to send into a friend's home an enemy of his causes. And it will be a lack of respect on the part of U.S. President Ronald Reagan if he makes the mistake of sending Prof Lewis A. Tambs to our country as ambassador from the White House. Yankee political circles are well aware of Mr Tambs's opposition to the Torrijos-Carter treaties and his hostility to the leader of the Panamanian cause and chief of government at the time.

Should such an appointment unfortunately become effective, we will have to agree that the U.S. President likes, as a matter of masochistic practice, to raise the dust and shake the powderkeg when things are more or less quiet. There is no doubt that none of the representative sectors of the isthmus will hide their anger once the official announcement of the Tambs appointment is made. And it is certain that the protest in the form of a communique or written pronouncement will go beyond that and probably end up in confrontations; that is, friction which in every way does not befit our social peace.

I feel compelled to pass on to those concerned the following information, going around as "confidential." It claims that not only did the so-called Mr Tambs oppose the Torrijos-Carter treaties and disliked Gen Omar Torrijos but that also that Mr Tambs is a prim anticommunist. These characteristics turn out to be weak in comparison with the following harsher and less believable facts: /Mr Tambs is the author or coauthor of the thousand-times defamed and criminal Santa Fe document,/ [passage within slantlines published in uppercase] according to my first-hand information sources. The essence of such a document, fully publicized, not only refers, as we all know, to the action the United States proclaims and carries out against Panama, but also affects the U.S. foreign policy regarding the continent.

Therefore, if proposed Ambassador Tambs arrives at this strategic waistline of the isthmus, it will not be to expedite better ways of coexistence among our two countries and governments, but to act as strategist in the application of the Santa Fe document in all Latin American geopolitical aspects. Mr Tambs, a gratuitous and advanced enemy of Panama, would thus become the logistical-political support of the Yankee military repressive apparatus, of which we still have a considerable portion in some bases which are part of what remains of the former Canal Zone. The people hardly make mistakes, and they can

sense the approaching menace in the air. In the case of Mr Tambs, however, it is not a matter of sensing the menace, as his position in the debate over the treaties was clear, and he will have to be true to his principles and to the reactionary line of Mr Ronald Reagan.

CSO: 3010/1183

COLUMNIST COMMENTS ON NATIONAL GUARD'S 'PUTSCH'

PA281550 Panama City LA PRENSA in Spanish 26 Mar 82 p 8A

[By Oswaldo Velasquez; "The Putsch in the National Guard"]

[Text] The nazi-styled "putsch" has been the means of gaining command positions within the National Guard since 11 October 1968. The Panamanian people have been witnessing these military pronouncements like the person who watches a boxing program, incapable of taking part in it or influencing its result. The spectator, however, never denies himself the right to express his opinion on the performance of the "actors." We, as spectators, therefore, express our opinion:

Why is there a struggle for power within the National Guard? Not for military power in itself; we are sure of that. The true incentive, or temptation, is the civilian and political power in the hands of the militarymen. Before that 11 October, such "putsches" did not occur.

We certainly find military incursions into the civilian power, incapable of chaining it down. In the past, the changes within our armed institution were made upon the decision of the civilian government, as established by the constitution and the laws (even now it is thus established, with the difference that now the president limits himself to sign "retirement" decrees, promotions and so forth).

Also in the past, the Panamanian citizen viewed any change in the high command of the National Guard as something quite natural, rarely stirring speculation. The changes in the cabinet were more significant, a significance now lost. New ministers today in no way change the government's policy. What is more, since 11 October 1968, we have seen presidents go by who exercised little authority, since it is a case, to the shame of the Panamanian people, of a civilian official at the service of the National Guard command.

All the above leads to the conclusion that the 1984 elections for president of the republic will not change this anomalous and shameful political situation, permitted by the 1972 constitution. In other words, as long as the "bastard" continues in effect, a president either appointed or elected by popular vote, either pro-government or of the opposition, shall continue to be a subordinate to the National Guard command.

Only a change in the constitution will return civilian power to civilians. In the meantime, the "pitches" will continue as the temptation is too overwhelming. To become commander of the National Guard means, even though not given the title of chief of government, to exercise the nation's civilian and military power. The civilian power will continue unchanged in the National Guard quarters despite the "ballot boxes."

Meanwhile, the personal identification card of the Panamanian citizen, for political purposes, will serve only as a ticket to witness the tragic drama staged by the members of the National Guard.

CSO: 3010/1183

FRAMPO SECRETARY GENERAL CRITICIZES GENERAL NUTTING

PA262020 Panama City CRITICA in Spanish 25 Mar 82 p 4

[By Carlos J. Nunez L.]

[Text] Nutting [U.S. Southern Command commander, Lt Gen Wallace Nutting] has no right to meddle in Panama's internal affairs, much less the right to make observations, predictions or give opinions about other Latin American and Caribbean countries from Panama, Renato Pereira, secretary general of the Popular Broad Front Party, FRAMPO, told CRITICA. At any rate, he is an "unwelcome guest" [convidado de piedra].

Pereira is also personally trying to reach an understanding with the Democratic Revolutionary Party, PRD, to issue a joint declaration on the Central American situation and especially on the Salvadoran issue.

Pereira said that "I believe that it is important for the two Torrijista parties, members of the process and a new factor in the Panamanian political panorama, to issue a joint declaration on an issue we know we fully agree on, because when General Torrijos sketched out a method to solve the crisis between Central America and the United States and other countries of the area, he established a true doctrine."

FRAMPO's secretary general also reported on some steps taken by his party to analyze the serious agricultural situation, which is hurting so many thousands of peasants. FRAMPO will present some proposals on this to the government headed by President Aristides Royo.

CSO: 3010/1183

MINISTER SCORES U.S. DISCRIMINATION AGAINST PANAMANIAN

PA262046 Panama City Televisora Nacional in Spanish 2300 GMT 25 Mar 82

[Text] Ricardo Alonso Rodriguez, minister of the presidency and member of the board of directors of the Panama Canal Commission, has told the directors that the reply of the U.S. members of the board to Panamanian statements regarding specific disagreements on the interpretation of the Torrijos-Carter treaties and the Panama Canal operation, has an essential element that makes it negative, petty and of little importance.

Minister Rodriguez said that the answer was prepared by mid-level Canal officials who have been criticized and they prepared their defense based on their interests and privileges.

The Panamanian official said that the national position includes statements, criticism and contributions aimed at eliminating colonialistic remnants and increasing the efficiency of the Panama Canal Commission bureaucracy.

Minister Rodriguez called on the commission members to change their attitude to comply with the political and legal principles that prevail in the Torrijos-Carter treaties and their application.

The Panamanian spokesman at the Panama Canal Commission board of directors referred to problems of discrimination in salaries, the illegal withholding of taxes and the cost-of-living salary adjustment due to Panamanian employees whose work conditions have been adversely affected.

Rodriguez cautioned the board of directors that if the U.S. side does not wish to remedy this situation, Panama reserves the right to denounce the problem at international forums and to demand an immediate solution through diplomatic channels and international arbitration.

Rodriguez referred to noncompliance with pacts on the gradual replacement of U.S. employees by Panamanians. Rodriguez spoke about the austerity program and other actions that lend themselves to the elimination of Panamanian workers.

Rodriguez denounced the discriminatory treatment that Panamanians who work aboard the tugboats receive from U.S. maritime officials.

The minister reiterated Panama's demand to be paid 17.3 million balboas that the commission owes for not having paid 10 million due from the surplus [revenue] as the treaty establishes.

Minister Rodriguez said that the Canal Commission, without any authorization, has rented houses that belong to Panama and that can be used only by U.S. employees of the Canal Commission, to military men and civilian personnel of the U.S. Armed Forces.

The Panamanian minister said that nonpayment to the Republic of Panama stems from allegations of expenditures and costs involving the operation of the canal. Panama rejects this situation because it is in violation of the treaties, since such costs are not related to the operation. The Panamanian Government has rejected and flatly condemns the creation of the so-called liaison office as announced by the administration because it believes this office is an unnecessary bureaucratic load and a continuous source of friction between the U.S. and Panamanian authorities.

Speaking to the board of directors, Minister Rodriguez scored the harassment by the U.S. Congress which wants to pass legislation to increase its control over the Canal Commission and to reduce the role of the board of directors in open contradiction with the treaties.

Finally, the Panamanian official referred to the resistance of some U.S. citizens to Panama's full jurisdiction over areas in which the United States is responsible for the administration, operation, maintenance and protection of the canal, despite the fact that they have been assured that our courts and officials will act according to the law and without discrimination.

The Panamanian minister complained about the discourteous treatment that the Panamanians are given. He noted that the meeting in Washington is a good example of this. He noted: We were not accorded the protocol or given the attention due our position in the Canal Commission.

Rodriguez noted that he paid for the expenditures of the board of directors out of his own pocket and that when he requested reimbursement, the same rules that apply to U.S. officials were applied to him. In the future, Minister Rodriguez said, we will not go to any meeting outside Panama unless what we have mentioned here is corrected.

CSO: 3010/1183

ILLUECA SAYS ORTEGA CHARGE UNDER INVESTIGATION

PA270342 Panama City Televisora Nacional in Spanish 2300 GMT 26 Mar 82

[Text] The executive, the Foreign Ministry and the National Guard staff are studying the statement by Commander Daniel Ortega, coordinator of the Nicaraguan Government junta, who said at the United Nations that Somozist agents are training in the canal area to promote action against the Nicaraguan people and government. Panamanian Foreign Minister Jorge Illueca has referred to this in a statement to Televisora Nacional:

[Begin recording] Panama proclaimed a regime of neutrality for the Panama Canal. The states which signed the Torrijos-Carter treaties are naturally committed to this neutrality. Under no circumstances could Panama sponsor activities of that nature.

Regarding Commander Daniel Ortega's remarks, I can say that they are the object of analysis and study and the source of information is also being investigated. Naturally, these consultations are being carried out in the executive branch by President Royo and the National Guard staff and Commander Ruben Paredes. As soon as those consultations are concluded, there will be a declaration and the measures that the Panamanian Government deems advisable will be carried out. First we will have to confirm whether such a situation exists. There will have to be the necessary consultations between the executive and the National Guard and its staff so that there will be a very firm position that responds to Panama's real national interest. [End recording]

CSO: 3010/1183

ILLUECA ON LEGAL JURISDICTION AFTER 1 APRIL

PA280351 Panama City Televisora Nacional in Spanish 1130 GMT 24 Mar 82

[Interview with Panamanian Foreign Minister Jorge Illueca by Maricarmen Sarsanedas; date and place not given--recorded]

[Text] [Question] In a statement to this station, the president of the Lawyers' Association said that according to the Torrijos-Carter treaties there are jurisdictional limitations for Panama in the areas of labor, penal and civil law. Now that this country will take over judicial aspects after 1 April, we would like to know your opinion about this matter.

[Answer] The 1977 Canal Treaty clearly establishes that Panama will assume full jurisdiction in the territory of the former Panama Canal Zone. In this regard, the treaty itself contemplates Panama's right and obligation to provide general jurisdiction services not only in the areas of civilian and penal law but also regarding customs, immigration and postal services, in other words, everything that pertains to the activities of the state.

When Hernan Delgado [president of the Lawyers' Association] referred to jurisdictional limitations, he was referring to limitations that are acknowledged in the practice of international law at the world level. For instance, every state has limitations regarding jurisdiction over foreign diplomats, foreign state enterprises, government-owned ships and so forth.

Regarding labor matters, to which you referred, the treaty clearly establishes that any regulations on labor relations--the hiring of employees and the regulations that the Panama Canal Commission must apply to them--must be submitted to the Republic of Panama. This regulation must include all the resources offered to workers. We are currently facing the problem that this regulation has not been turned over to the Panamanian Government. Therefore, this will be in an issue that will be raised and discussed at the meetings of the board of directors of the Panama Canal Commission which will meet on 25 March. The workers are very interested in this topic.

Delgado referred to a situation but we hope that the Lawyers' Association will also support this Foreign Ministry effort and this aspiration of the workers.

We cannot say that the workers' recourses do not exist and that we are going to advocate that the workers go to foreign tribunals. The regulation must include these administrative and labor recourses and the Republic of Panama and its government are working in this direction. You may feel free to ask any questions regarding other situations. One thing I can stress to the people is that the treaty establishes that Panama assume full jurisdiction of the territory formerly known as the Canal Zone.

CSO: 3010/1182

MINISTER, NATIONAL GUARD OFFICERS DISCUSS JURISDICTION

PA281917 Panama City Televisora Nacional in Spanish 2300 GMT 27 Mar 82

[Text] In a news conference held at Fort Amador today, government and Justice Minister Jorge Ritter said that the military bases that the United States has on the canal banks are there exclusively for the defense of the waterway and not to send troops and weapons to other countries.

He said that our country cannot allow the United States to use the bases, for which our territory is being used, to attack other countries because according to the Torrijos-Carter treaties, the military sites that the United States has in Panama are solely for the defense of the canal.

Ritter's statements were supported by Maj Fernando Quezada, chief of the Victoriano Lorenzo Company, and Maj Aristides Valdonado, chief of the Balboa police station.

According to estimates by Panamanian military officers, there are approximately 20,000 U.S. Armed Forces troops in air bases [as heard] headed by Gen Wallace Nutting.

In addition, it was reported that the School of the Americas located in Fort Gulick will be turned over to the Panamanian Government in 1984. Therefore, troops of other countries will no longer come to Panama for training.

Ritter said that all U.S. citizens living in the areas not turned over under Torrijos-Carter treaties yet and who are working in private companies must apply for visas and permits to reside in our country just like any other foreigner.

Here is the report:

[Begin recording] Ritter, Quezada and Valdonado met with the media this morning to announce the importance of the fact that the government is recovering its jurisdiction throughout the territory.

In speaking, Major Quezada said that the Balboa Magistrate Court and the Balboa and Cristobal police stations will be turned over the Panamanian state. He

added that for Clayton, Rodman and Howard in the Pacific will remain here until year 2000, as well as Fort Davis and Fort Sherman in the Atlantic.

The reverted areas are divided into four sectors; one shown in dark green [announcer presumably showing map] which will be the area where U.S. and Panamanian soldiers will train, one in light green which is the sector for military coordination, a brown one which is the area for joint defense and a red one which covers the area of houses which have not been transferred to the Panamanian Government. This division has been made to better implement the Torrijos-Carter treaties and thus prevent any violation of them.

For his part Major Valdonado said that the legal situation Panama experienced was similar to that of the Palestine when the State of Israel was created. He added that the former Canal Zone had two jurisdictions in a single territory. After 1 April, Panamanian laws will be applied to nationals as well as to the Americans who commit any crime in the former Canal Zone.

Regarding the treatment that will be given to U.S. soldiers, Valdonado said that American jurisdiction will be applied in certain specific cases occurring in military areas.

Asked if the liaison office between the police of Panama and the United States will continue to operate, he said that although the U.S. Government wanted to continue it, the Panamanian members in the Canal Commission rejected it, alleging that it would be going back to the problem our country has been suffering since 1903. However, he added, this office will be maintained to coordinate the joint canal defense between the national guard and the U.S. Southern Command.

In addition, Ritter announced that all private enterprises and civic organizations which operated in the former Canal Zone will have to apply for their legal permits [personeria juridica] in order to be recognized.

Ritter said that all those Americans who do not work with the Panama Canal Commission and work in private firms and live in the areas that have not been reverted under the canal treaties, will have to request visas and residency permits just like any other foreigners.

He concluded by noting that 1 April is one of the most important dates because, since the treaty is based on Panama's jurisdiction throughout its territory, this will be the day on which, through this treaty, the most cherished wishes of Panamanians--a total sovereignty--will come true.

All the 1 April ceremonies will be held at the former Balboa police headquarters and will be attended by all Panamanian expresidents, foreign ministers and presidents of the various political parties.

Major Quezada said that the liaison office will only remain for information on the joint canal defense.

[Question] During the news conference just held, you said that there will be jurisdiction of the two countries over certain sectors. Could you explain this further?

[Answer] This jurisdiction will be basically over the defense areas and the areas of military coordination. We are talking about jurisdiction in regard to joint patrolling. This means that the area of military coordination will be patrolled or is being patrolled jointly but any cases--cases of a criminal or police nature--in which Panamanians become involved will be definitely under Panamanian police and court jurisdiction. The joint jurisdiction I was referring to is that of patrolling. In defense sites, we have established, in the places we call joint vigilance rooms, units of the 5th Military Company, that is the Victoriano Lorenzo Company of the National Guard. In the event of criminal activities or police situations in which Panamanians are involved they will immediately be turned over to our courts and justice apparatus. For example, in the event of a collision in a defense site and a Panamanian is involved in it, the case has to be settled at the traffic department in Panama. However, if only Americans are involved in a case like this and it happened in a defense site, then they settle their case without turning it over to Panamanian authorities.

[Question] One last question, since there will be no liaison office between the two armies, how will they communicate?

[Answer] When we talked about a liaison office--and I think there is a small confusion here--we meant that there will be no liaison office at the police level or the police service, which in this case is under the Balboa police headed by Major Valdonedo. Regarding our military functions, there is and will be a liaison office but it exists within their forts while our liaison offices operate in our installations. Therefore, the necessary coordinations are carried out personally or over the telephone in specific cases.

CSO: 3010/1182

BRIEFS

INCREASED CANAL TOLLS ASKED--The board of directors of the Panama Canal Commission will ask for a 9.8-percent increase in tolls. The reason for the proposed increase is that a \$50 million decrease in revenues is expected in the fiscal year 1983 since ships transporting crude petroleum from Alaska will not take the canal route. Here is the statement in this regard by Anel Beliz, spokesman of the Canal Commission, in an interview granted to Jose Montano. [Begin recording] In its session today, the board of directors of the Panama Canal Commission has authorized administrator Dennis P. McAuliffe to announce a request for a 9.8-percent increase in the Panama Canal tolls beginning on 1 October 1982. This proposed increase which would be the first to be established since 1 October 1979 will change the current net-ton toll of the Panama Canal from \$1.67 to \$1.83 per ton for cargo vessels and from \$1.33 to \$1.46 per ton for vessels that transit in ballast. As always, there will be special tolls for hospital ships or warships that pay on the basis of a displacement tonnage and which would increase from \$.93 to \$1.02. Nevertheless, this request has to be studied and analyzed in New York in mid-July so that it can go into effect on 1 October. [End recording] [Text] [PA270425 Panama City Televisora Nacional in Spanish 2300 GMT 26 Mar 82]

FEP STUDENTS SCORE U.S.--The Federation of Panamanian Students, FEP, issued a communique telling General Nutting and the CIA that Panama has never been, is not, and will never be a colony, an associated state or a protectorate of the United States and that it will not become another star in the flag of that country. The FEP communique cautions that it has noticed that U.S. Government and army authorities recently have been active in some Panamanian courts and that they continue with the pattern of telling the Panamanians what foreign and domestic policies our officials should maintain. As they see it, our enemy is not poverty or the underdevelopment maintained by U.S. dominance, but the ghost of communism. The communique argues that the U.S. attitude is a mockery of the dignity of our fatherland which, again, has been injured by the speech made to the Panamanian Business Executives Association by the chief of the U.S. occupation troops in the Canal Zone. The FEP communique asks: How long will the Panamanian Government permit the North Americans to violate with impunity our sovereignty and tell us "what to do?" [Text] [PA281530 Panama City LA REPUBLICA in Spanish 26 Mar 82 p 10]

LOAN FOR COLON--Treasury Minister Rogelio Fabrega Zarak signed a loan agreement with the Industrial Bank of Japan in Tokyo on 3 March for 50 million balboas. This loan will be used to continue the implementation of the Juan Demostenes Arosemena plan for the complete development of Colon. This loan is part of a 130-million balboas package financed in part by the World Bank and Colon Free Zone to expand Colon's commercial and industrial sector. The loan is to be paid in 15 years, with a 5-year grace period. [PA261819 Panama City CRITICA in Spanish 4 Mar 82 p 5]

CSO: 3010/1182

STROESSNER TO SEEK REELECTION IN 1983

Lima EL COMERCIO in Spanish 21 Feb 82 p B-5

[Text] Asuncion, 20 Feb (AFP)—The candidacy for reelection of Gen Alfredo Stroessner as president of Paraguay was formally proposed today for the next national elections in 1983.

A Stroessner victory in those elections, which is taken for granted, will mean the beginning of a seventh period of government by this president of German ancestry, which is without parallel in the history of Paraguay, according to observers.

The next candidacy of Stroessner from the 1983-1988 period was formally requested today by the rural districts of the Colorado Party, which are in the majority in Paraguay.

Observers are convinced that Stroessner will respond to the unanimous request of the Colorado Party, which controls over 86 percent of the Paraguayan electorate, and will once again launch his candidacy for a seventh constitutional period of government.

These elections will be held next year, but for the moment the opposition has not indicated whether or not it will participate.

Of the parties in opposition to the Stroessner government, only the Radical Liberal Party, the largest, customarily participates in elections, as the Febrerista Revolutionary Party, the only leftist party in Paraguay, abstains from taking part.

Stroessner, who will be 70 next November, is in excellent health, according to official physicians, who on more than one occasion have denied reports in circulation to the contrary.

Observers are in agreement that President Stroessner's most significant achievement was the policy of monetary stability in defense of the guaraní, the country's monetary unit.

However, observers agree that there is an opposition which feels that the time has arrived to face up to the future of Paraguay in the post-Stroessner era.

In 1983, Stroessner will complete his 28th year as president, which will make him one of the world's oldest rulers.

By appearing in the electoral arena as expected to govern for another 5 years, from 1983 to 1988, the Paraguayan president will certainly achieve something which will be very difficult to equal, according to Asuncion political observers.

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CSO: 3010/1106

OAS STUDY ON COUNTRY'S ECONOMY RELEASED

PY192210 Buenos Aires TELAM in Spanish 1220 GMT 15 Mar 82

[Text] Asuncion, 15 Mar (TELAM)--According to an OAS study released here today the Paraguayan economy grew in an unprecedented fashion during the 3-year period 1977-1979.

The document, entitled: "An Economic Study on Paraguay," states that since 1977 the real GDP has been growing at an average annual rate of about 11 percent. This figure exceeds by far the already satisfactory growth rate of 6.4 percent during the 1970-1976 period.

The OAS study points out that the strong imbalance of the balance of payments' current account, that has increased from an annual average of \$43 million during the 1970-1976 period to about \$195 million in the 1977-1979 period, has been largely covered by the inflow of both official and private foreign capital. This inflow of foreign capital has been so large that it has enabled the country to accrue reserves at an international level that would have been otherwise difficult to foresee at the beginning of the decade.

The study adds that reserves in 1970 were only in the order of \$0.3 million [number as received]; in 1976 these reserves increased to \$163.3 million, and in 1979 to \$583.7 million.

The OAS points out that the fast real GDP growth, the growing money supply and the increase of internal savings reserves have been some of the factors that have prevented an inflationary outbreak and that have helped balance the overall supply and demand. This has neutralized to a certain extent the effect of the inflationary pressures on the Paraguayan economy during the period of fast transformation and growth it is undergoing.

CSO: 3010/1189

LIST OF PRO-CHINESE COMMUNIST PARTY CELL MEMBERS ISSUED

PY171912 Asuncion HOY in Spanish 17 Mar 82 p 7

[Text] Police Officer Alberto Cantero, political affairs director of the Intelligence Department, and police officer in charge of the public relations section of the Intelligence Department, issued yesterday afternoon the complete list of those who had been arrested [because of their connection with an alleged pro-Chinese Paraguayan Communist Party cell]. Only the names of Antonio Gonzalez Arce, Antonio Amarilla and Gervasio Gonzalez had been disclosed in the press conference held on Monday.

The following is the list of the 30 persons who were arrested: Those arrested in Asuncion were: Emilio Asterio Lugo Valenzuela, alias Renan; Ignacio Lopez Jara, alias Gerardo; in Germando de la Mora: Antonio Gonzalez Arce, alias Jesus; in San Lorenzo: Sever Fermin Gimenez del Puerto, alias Hector; in Luque: Irene Juana Gimenez del Puerto de Ginez, alias Valentina; in Caazapa: Antonio Amarilla Villalba, alias Carlos; Victor Acosta; Vicente Amarilla, alias Felipe; Pascual Ojeda Reyes, alias Sergio; Eduardo Ojeda Reyes, alias Eligio; and Albertano Benitez Gamarra.

According to the Intelligence Department those arrested in San Juan Nepomuceno were: Heriberto Alvarenga Benitez and Tiburcio Gonzalez; in Tebicuarymi: Justo Bareiro, Juan (?Fermin) Ortigoza Bogado, alias Juan; Maximo Oscar Ortigoza Lopez, alias Papi; Albino Prieto Santacruz; and Francisco Ramon Pioto Rivas. In Caaguazu: Eladio Gonzalez, alias Sergio; Alfredo Gonzalez, alias Denis; Carlos Alberto Gonzalez, alias Luis; Jacinto Mendoza, alias Marcelo; Leonidas Bogado de Gonzalez, alias Luisa; Cristina Estela Gonzalez, alias Carmen; Gervasio Gonzalez, alias Francisco and Herminio Ramirez Aquino.

The Intelligence Department has reported that Jose Concepcion Excobar Caceres, alias Tichon, was arrested in the jurisdiction of Carapegua; while Feliciano Rolon Gimenez, alias Octavio, was arrested in Zeballos Cue.

In Encarnacion were arrested Julian Acuna, alias Comrade Mellizo; Melanio Zacarias, alias Jorge; and Benerado Vazquez Baez, alias Comrade Enano.

All of these persons were shown to the press on Monday by the chief of the Intelligence Department and according to reports they were all active in the organization of the pro-Chinese Paraguayan Communist Party.

CSO: 3010/1189

EDITORIAL NOTES OPTIONS TO PREVENT PEASANT COMMUNIST CELLS

PY262250 Asuncion ABC Color in Spanish 25 Mar 82 p 8

[Editorial: "Learning Lessons"]

[Text] Whatever the causes were, the circumstantial factors and the forces at work behind the communist cell which was exposed to the public by the investigations department, the authorities who dealt with the case failed to consider some aspects of the problem which, being more important than the mere fact of discovering the cell, are timely to recall.

According to one of the persons who were questioned, the rural class is the main target of the indoctrination program. This means that the indoctrinators would give special attention to peasants, small landowners, small merchants. And this is no spectacular or new discovery.

It has been well-known for some time that the triumph of any revolutionary movement, communist or any other kind, hinges on the number of errors that have to be corrected, crimes that must be punished, bad functionaries who must be sacked, in short, on the number of wrongdoings that must be redressed. Conversely, the sooner corrections are made, the fewer will be the chances for any kind of political reformers.

Although elementary, the lesson does not seem to have been learned well. In our countries where democracy has yet to give its best results, the rural classes are certainly the most exposed to political intolerance, economic exploitation, bureaucratic corruption and social neglect. Justice, protection of public institutions and social benefits are scarce in rural areas. Developments in the country's interior are only spillovers of the urban centers; and individuals look toward the interior only when their opportunities in the cities have been exhausted.

The well-known controversy over how it was 40 years ago and how it is now need not be revived. This controversy will not help because we have indulged in it for too long, too repetitiously and tiresomely. What really and urgently needs to be determined is how receptive the rural class is to revolutionary indoctrination and, consequently, to revolutionary action.

In that regard, the recommendations of a political functionary for rural authorities to step up vigilance and tighten law and order mechanisms are not the best nor the only medicine. Action to ward off peasants' revolutionary challenge should not be channeled through the police, but rather through the Agriculture Ministry, the Rural Welfare Institute, the Development Bank, and health and education programs. The truth of this assertion can be currently seen in several Central American nations.

If the peasants are given attention, consideration--in sum--reasons to feel satisfied, there will be no ideological force capable of mobilizing them because, traditionally, they only fight for their survival and against economic rather than political enemies.

"The intermediary levels--small industrialists, small merchants, craftsmen, the rural class--struggle against the bourgeoisie to maintain their status. These levels, therefore, are not revolutionaries, but conservatives. In fact, they are reactionaries because they want to move the wheel of history backwards." This lesson can be found in the "Communist Manifesto" of 1848.

If we turn our attention to the countryside adequately, "cells" will not grow among the things cultivated there.

CSO: 3010/1189

EDITORIAL DEPLORES REASONS FOR DELAY ON PILCOMAYO

PY031304 Asuncion PATRIA in Spanish 15 Feb 82 p 5

[Editorial: Postponing a Priority"]

[Excerpts] We don't know the rules which apply to bidding for public projects in Argentina, but they should be the same as those which are usual in this kind of procedure. We however do know that one thing is to bid for the construction of a bridge, a road, a dam or an airport, and something entirely different to provide funds and order emergency work to repair with the necessary urgency damages caused to a third party (a country in this case) as the result of deliberate actions, the consequences of which cannot be ignored.

We are not disregarding equal rights or opportunities—to bid in this case—but we are talking about a situation in which absolute priority must be given to other rights. Applying this to the diversion of the Pilcomayo, the problem is a violation of and damaging to the rights of Paraguay. In this emergency, Paraguay must assert those rights and demand reparations, although the work is to be done on Argentine territory. The situation per se—without delving into the causes beyond the fact that human volition is involved—creates the emergency for which immediate repair is the only solution.

Therefore, the report that the companies "had exerted great pressures on government circles in Buenos Aires to suspend the work to plug the diversion channel in order to permit others to participate in it" are shocking. Of course, the motivation is to make a profit not to make reparations—as they let it rudely and shamelessly be known.

No argument can be raised against the right to petition government authorities, since it is a right. But in this case only a request is involved because the sources mentioned "strong pressures on government circles." This is something serious, not because it poses the question of who is exerting pressure on whom—obviously a matter among Argentines in which we cannot get involved—but because it has a paralyzing effect. The work has already been suspended and "the Argentines have removed all the machinery," sources reported, adding that the Argentine Government, "realizing that the problem muddled the relations between the two countries, had ordered the state water and power enterprise and the national gendarmerie to complete the work." But they have now abandoned this work at a point that is 30 percent short of completion.

We refuse to think that the abandonment means going back on a decision, or even allowing the deterioration of what has so far been done already just to give "equal opportunity" to the Argentine companies to make profits. All of this is causing the postponement of a priority and the failure to promptly meet a Paraguayan demand. This cannot happen or, at least, it should not happen. A great expectation has been created about what will finally be done to solve the problem without delays.

CSO: 3010/1189

OIL EXPLORATION CONTINUES IN EASTERN, WESTERN REGIONS

Buenos Aires LA NACION in Spanish 22 Feb 82 p 10

[Article by Jose Antonio Bianchi]

[Text] Asuncion (EFE)—Paraguay still nurtures the hope of discovering oil in its substrata and thus decreasing the flood of dollars leaving the country.

Luis Alberto Ruotti, director of mineral resources in the Ministry of Public Works and Communications, has said that there are possibilities of discovering oil by the end of the explorations being conducted, particularly in the country's western region.

Three enterprises are searching for hydrocarbons in the eastern region of the country and two in the western region, all of which are financed by Americans, using special concessions granted by the state.

According to the official, "The conditions are right for the presence of highly prized black gold in our Chaco." His statement is based on the configuration of this vast region which is similar to that of its prolongation in Bolivia, where there is oil.

"We have never ruled out the possibility of finding hydrocarbons in Chaco," Ruotti said. He then added, "The various concessions are proceeding with their exploration work and will soon engage in additional drilling."

Drilling has been going on for over 20 years, with negative results up to now, despite the optimism which has always surrounded the activities.

The fact that there is abundant oil in the Bolivian region on the Paraguayan border is one of the reasons for the confidence with which explorations in this country are being undertaken, as it is felt that if in the Bolivian part of Chaco the substrate have yielded "black gold" to the seekers, the same thing could happen in the Paraguayan part.

At present, Paraguay has to spend a great amount of foreign exchange on the purchase of oil and its derivatives, an expenditure whose decrease is the dream which motivates the search for oil, in addition to the dream of independence, provided oil is discovered.

According to official records, Paraguay imported oil and derivatives in 1981 worth \$94,388,100, which are the equivalent of 15.6 percent of total imports of \$599,404,500.

Of that sum, expenditures on the purchase of oil from Algeria and Saudi Arabia last year totaled \$65,112,600, according to Central Bank statistics.

To these figures must be added expenditures on the illegal fuel traffic from bordering countries, particularly Argentina and Brazil.

Daily consumption in Paraguay, according to official estimates, is 14,000 to 15,000 barrels which are processed in the only specialized plant the country has, located near Asuncion.

In general, the Paraguayan mining map is not very extensive, according to official reports which per se, according to the same sources, increase the expectations for oil.

According to the Directorate General of Mineral Resources, at present in Paraguay there are, in greater or lesser amounts, hematite, limonite, ochre, magnesium, kaolin clays, amethyst quartz, kaolin and talc, products which in some cases are being exploited while in others they are not.

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CSO: 3010/1106

BRIEFS

NATIONAL GOODS, SERVICES PROMOTED--The national government has issued decree No 31,609 by which the national administration, decentralized organizations, municipalities and mixed enterprises are obliged to acquire national goods and services when similar foreign products are also on the market. These organizations are also obliged to apply a margin of preference with regard to price of 15 percent in favor of national goods and services over similar foreign items. [Asuncion ABC Color in Spanish 10 Mar 82 p 9 PY]

BALANCE OF PAYMENTS DEFICIT--The balance of payments registered a \$27.3 million deficit in January. Therefore, the accumulated deficit in the last 4 years totals \$983.7 million. It may increase, since it is estimated that the 1982 deficit will total \$400 million. In January, Paraguay exported goods worth a total of \$10,326,000 and imported a total of \$37,636,500. According to the Central Bank, it is estimated that the 1982 Paraguayan imports will cost about \$700 million while its exports will be worth about \$300 million. [Asuncion ABC Color in Spanish 15 Mar 82 p 13 PY]

CSO: 3010/1189

CABINET CHANGES FOR ELECTORAL CAMPAIGN EXPECTED

Caracas BOHEMIA in Spanish 25 Feb 82 pp 6-9

[Text] The compulsive pressure of Calderism to move up the date of candidate selection is forcing Herrerism to order changes in its positions to ensure an intelligent strategy.

The presidential style of Herrera Campins has not been very orthodox. From his assumption of the presidency, during a joint session of the Congress of the Republic, when he broke with the old custom of establishing a truce between the outgoing and incoming executives, to now, President Herrera has maintained a policy of surprise for everybody. Now we have changes in the Executive Cabinet, which have caused everyone to wish for prophetic powers to be able to predict what the Chief of State will do.

The appointments of new governors of the Federal District and several states had been expected for some time. However, there are those who are criticizing the fact that Herrera Campins has begun to remove a number of governors without waiting for them to present their respective Memoranda and Reports to the appropriate regional Legislative Assemblies. The same thing would happen if there are ministerial changes before March 1982. We would have the unusual situation of new governors and ministers giving reports on the activities of others.

Electoral Movement

In reality, changes in governors' offices and ministries were going to take place after March 1982. However, the virtual launching of the presidential candidacy of Rafael Caldera forced Herrerism to speed up the movement of key figures so that they could devote themselves to the electoral campaign of Rafael Andres Montes de Oca. The latter will leave the Ministry of Interior within a few days to travel throughout the country in quest of the votes of delegates to the Presidential Congress of the COPEI [Social Christian Party] Party. The governors of the Federal District, Zulia and Lara have already been replaced. Luciano Valero, Gilberto Urdaneta Besson and Carlos Zapata Escalona are three Herrerists of great political activism and will be important factors in the promotion of Montes de Oca's candidacy.

We know that President Herrera has contemplated other ministerial changes in addition to Montes de Oca. For example, a ministry which has been a constant headache for the government, the Ministry of Education, will have a new minister beginning in March. Rafael Fernandez Heres will leave the post to a Herrerist fully identified with this sector. Fernandez Heres will leave the Ministry of Education for the electoral convenience of the Herrerist sector and, in particular, of the followers of "Pepi" Montes de Oca.

A very important ministry, the Ministry of Information and Tourism, will also have a new head. To replace Enrique Perez Olivares, a Calderist, mention is being made of Valmore Acevedo Amaya and Adel Muhamad, two well-known Herrerists.

Although the initial intention was to appoint the former governor of Zulia State, Gilberto Urdaneta Besson, Montes de Oca's campaign chief in the Zulia region and in Falcon, there has also been a rumor in the Miraflores Palace to the effect that Luis Herrera might incorporate him in the Executive Cabinet. However, Urdaneta Besson does not like to live in Caracas and prefers to remain on his Zulia estate.

The Contest Is Heating Up

The government has to mobilize its pieces on the electoral chessboard. Recently, a group of Zulia Calderists announced its support for Montes de Oca; however, on the other hand, it is feared that a group of supporters of Pedro Pablo Aguilar is acting on his behalf by giving its support to Dr Rafael Caldera. This is of great concern to Aguilar, who in the past few days has worked intensely to avoid this political blood-bath. Of course, in such cases, the government's support is very important and decisive. Doubtless these circumstances will have a bearing on the appointment of new ministers.

The Ministry of Foreign Affairs will not be affected, according to reliable sources. Luis Herrera Campins feels that Jose Alberto Zambrano Velasco is doing a good job carrying out his international policy and that he has performed well in the face of the difficult situations in El Salvador and Nicaragua.

Another untouchable up to now is Humberto Calderon Berti, minister of energy and mines. The Trujillo native, an expert in the oil sector, is working unobtrusively in the Ministry of Energy and Mines, although recently international publications such as the JOURNAL OF COMMERCE, of England, have reported that Calderon Berti is abetting conversion of Petroleos de Venezuela, SA, into another typical state enterprise, a loss generator.

The government is interested in removing from the ministries those politicians who can be useful in an electoral campaign. The battle with Rafael Caldera requires much dedication and effort from all activists supporting Rafael Andres Montes de Oca. In other ministries, such as the Ministry of Education already alluded to, it is necessary to appoint a minister who has the full confidence of President Herrera to avoid conflicts harmful to the government's image.

Because of the fact that he is not a political leader with great influence in COPEI, Luis Ugueto, minister of finance, will remain in that office. The economic policy being pursued by Ugueto has been much questioned; however, that policy is approved by President Herrera who has faith that in the end the results will justify the means applied by the Ministry of Finance. In the area of the economy, it is possible that Ricardo Martinez, head of CORDIPLAN [Office of Coordination and Planning], will leave his post. The Marabino reportedly will return to Zulia to work on the electoral campaign there.

Enrique Perez Olivares, a well-known Calderist, is to leave the Ministry of Information and Tourism for the same reason: electoral convenience. Information and Tourism is a key ministry during an electoral campaign. For that reason, as we have indicated, the future minister of information and tourism will be either Valmore Acevedo Amaya or Adel Muhamad, two loyal friends of Luis Herrera Campins and, therefore, supporters of Montes de Oca.

Changes in Sides

The drama brewing within COPEI will greatly affect the government and its first-round candidates. It is known that several important leaders, friends of Pedro Pablo Aguilar, will publicly announce their support for Rafael Caldera. This will be a real change which will mightily affect Montes de Oca's situation. However, as we have stated, the current minister of interior has already received assurances from a large group of former Calderists from Zulia. Montes de Oca will be supported by these Calderists who have quite a bit of influence in the Zulia region, particularly on the east shore of Lake Maracaibo.

What is more, Montes de Oca was censured by Leonardo Ferrer, a deputy and COPEI leader. He said that Montes de Oca should resign from the Ministry of Interior because he could take advantage of the power of his position to promote his first-round presidential candidacy.

In a related matter, Montes de Oca has refused to participate in a prior agreement to name COPEI's presidential candidate. The first-round candidate has taken a hard position which does not allow for concessions or agreements from above.

The Calderist members of COPEI are insisting on moving up the date for selecting their party's first-round candidate. They say that Democratic Action has already gained an advantage with the unofficial selection of Jamie Lusinchi, whom Luis Herrera invited to lunch in Miraflores, as a candidate for the presidency of the republic. However, Rafael Montes de Oca has turned thumbs down on the idea. He does not feel that the date for selecting the COPEI candidate should be moved up.

The dynamic man from Lara prefers to take his time without rushing. To work for victory, Montes de Oca has left the Ministry of Interior, taking with him a group of valued and loyal leaders. This is the reason for changes in government at the various levels. Herrerism is making ready for the internal fight for the presidential candidacy.

Luis Herrera has made almost no changes in the structure of the government team. However, in the remaining days of February he will be forced to make important administrative decisions.

Pressure within COPEI to move up the date of the party's Presidential Congress is heavy. Due to the fact that the COPEI National Committee has a majority of members supportive of Rafael Caldera, the idea of holding the Congress early could make headway. The Herrera-Pedro Pablo group wishes to delay such a Congress until after July 1982. However, in any event, the date of the COPEI Presidential Congress will be held is being debated.

Theoretically, it was thought that the Congress would meet in September 1982; however, the impatience of the Calderists could trigger a situation of antagonism within COPEI. For the time being, that impatience has forced the Herrera Campins' government to put several leaders in circulation, to perform duties in public administration.

Movements on the political chessboard have purely electoral motivations, both in the government and in COPEI.

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